IN THE CIRCUIT COURT OF THE 11TH JUDICIAL CIRCUIT, IN AND FOR MIAMI-DADE COUNTY, FLORIDA

MV REALTY PBC, LLC,
ANTONY MITCHELL,
AMANDA ZACHMAN,
DAVID MANCHESTER,

Plaintiffs,

COMPLEX BUSINESS LITIGATION SECTION

CASE NO.:

v.

HOLLAND & KNIGHT LLP,
JESÚS E. CUZA,
REBECCA CAÑAMERO,
J. RAUL COSIO.

Defendants.
_______________________________________/

LEGAL MALPRACTICE COMPLAINT

Plaintiff MV Realty PBC, LLC ("MV") created a fast-growing business that reached a valuation exceeding $320 million. MV paid homeowners an upfront amount in exchange for the right to act as their listing broker if they later decided to sell their homes. MV hired Defendant Holland & Knight LLP ("H&K" or "Holland & Knight"), one of the country's premier law firms, to handle its corporate and regulatory matters and ensure that the consumer-facing, multistate business MV wanted to build was lawful from the start.

H&K held itself out as particularly qualified for that assignment. It promoted an in-house "Institute for Consumer Protection Defense and Compliance" and a State Attorneys General Practice staffed with "numerous former assistant or deputy AGs" possessing "leadership experience and relationships at the highest levels of state governments." H&K represented that its lawyers were "impact players" and "innovative thought-leaders" in consumer protection and understood that consumer-protection law affects "every dimension of business."

H&K accepted the assignment and then designed, created, wrote, approved, and directed the essential and operative parts of MV's business. These included the Homeowner Benefit Agreement (the "HBA"), its 40-year term, the publicly recorded Memorandum, the consumer disclosures, the description of the recorded instruments, the recording process, the early termination fee (the "ETF"), the enforcement and collection structure, the sales scripts, the training materials, and the state-by-state legal opinions. Together, these were the HBA Program Documents and Practices.

H&K did not merely advise from the sidelines. It authorized the HBA Program documents and practices through formal opinions, presentations, emails, training materials, and written approvals. MV then implemented H&K's work as written and approved, without material modification.

Defendants Jesús E. Cuza and Rebecca Cañamero led H&K's work for the company from inception. They were litigators, not the consumer-protection, State Attorney General, corporate/regulatory, or real estate regulatory lawyers whose expertise the assignment required. They were the individuals who designed, created, controlled, drafted, and approved the HBA Program documents and practices. Defendant J. Raul Cosio later led H&K's litigation defense, while Cuza and Cañamero remained involved even though their own work was under attack.

H&K billed more than 13,000 hours on MV-related work. Yet across 33 states, lawyers from H&K's consumer-protection and attorneys general practice played almost no role in creating the HBA documents and program. H&K failed to provide the critical expertise needed to protect the company, as consumer-protection law presented the central legal risk to MV's business and its officers.

This was not a case in which a client ignored legal advice. MV expanded its business from Florida into 32 more states, committed capital, funded contracts, recorded Memoranda, trained agents, hired employees, raised money, and grew the business because H&K supplied the documents, opinions, permissions, and risk assessments on which MV relied.

A single Attorney General action might reflect aggressive enforcement or a state-specific dispute. That is not what happened here. Sixteen states filed suits concerning the HBA Program, more than thirty states opened investigations, and regulators repeatedly attacked the same HBA Program documents and practices H&K created. State Attorneys General filed lawsuits against MV and the individual Plaintiffs, alleging that the HBA business was deceptive, unfair, illegal, abusive, and unconscionable. Those allegations were not themselves merits adjudications, but courts later adjudicated the same core defects in multiple states.

On the merits, the courts repeatedly terminated the HBAs. The Florida court held on summary judgment that "the HBAs and Memoranda themselves" constituted unlawful practices under FDUTPA. The New Jersey court declared the HBAs unconscionable, unenforceable, and void ab initio. The Georgia court held that the recorded Memoranda were nonconforming liens and that each of 3,306 recordings violated the FBPA. The North Carolina court granted summary judgment concerning unfair-or-deceptive-practice violations arising from Memorandum filings and ETF collection. Separately, at the preliminary-injunction stage, the California court found a "reasonable probability of success that the HBAs were substantively unconscionable," and the Colorado court found a "reasonable probability that the HBAs are substantively unconscionable."

H&K separately advised MV that the Memoranda were lawful to record and were not liens. H&K stated: "The memo itself will never be a lien." H&K also stated: "The memorandum is not a lien and does not affect or cloud title." Courts again reached the opposite conclusions. The New

Jersey court held that the Memorandum was, "as a matter of law and fact, a lien or restrictive covenant that clouds title and must be resolved prior to any property transaction," and that "the memorandum appearing in a consumer's chain of title is indisputably a lien." The Georgia court held that "MV Realty's Memorandums are nonconforming liens not eligible for filing and recording." The North Carolina court held that filing Memoranda that falsely claimed to contain covenants running with the land constituted unfair or deceptive trade practices.

H&K also created and approved the early termination fee ("ETF") as MV's contractual remedy for a homeowner's breach. The Georgia court found that the ETFs were "intended to penalize consumers," and were not a reasonable pre-estimate of damages, deeming them unenforceable penalties. The North Carolina court concluded that "the collection of ETFs pursuant to the HBA program against North Carolina homeowners is not permitted under North Carolina law." The New Jersey court addressed the ETF as part of the aggregate unconscionable structure and enjoined MV from demanding or accepting early termination fees.

Courts also rejected H&K's advice concerning the legal character of the transaction. In Massachusetts, H&K opined: "We do not believe Massachusetts regulators would treat the HBA as a 'loan' because MV has no right to demand repayment and charges no interest." But the Massachusetts court found: "Though it structures these deals as sales-commission arrangements, in economic reality MV is making high-interest loans."

H&K also approved a 40-year homeowner obligation in exchange for a modest upfront payment, a duration and practical effect that courts and Attorneys General later treated as part of the unconscionable and unfair structure H&K created.

By court order, settlement, or regulatory resolution, MV has been forced to terminate or stop enforcing HBAs in more than seventeen states and has had to restrict the enforcement of its agreements in almost every other jurisdiction, with the remaining contracts under attack. H&K's work turned contracts intended to be MV's core assets into sources of regulatory attack, litigation, and enforcement liability for the Company and its officers, individually. H&K turned publicly recorded instruments intended to protect MV's rights into alleged and adjudicated consumer-protection violations. Had H&K met the standard of care required, it would have designed a lawful and enforceable version of the business that would have allowed MV to continue its success and realize the value of the business it built. Alternatively, if competent analysis would have shown that no lawful version of the business could be built, H&K was required to tell MV not to proceed. MV then would not have invested approximately $156 million into the business or incurred the resulting contract losses, defense costs, settlements, fines, penalties, restitution, regulatory exposure, personal exposure, and reputational harm. Under either alternative, H&K caused the loss of the lawful, enforceable business it was hired to create.

H&K's malpractice did not end when the investigations and lawsuits began. Raul Cosio led H&K's litigation defense while Cuza and Cañamero remained involved. H&K was therefore defending MV and the individual officers through lawyers whose own documents, advice, disclosures, training, and legal conclusions were under attack. H&K never disclosed that glaring conflict of interest, obtained a waiver from Plaintiffs, or advised Plaintiffs to obtain independent counsel.

In the face of this conflict, H&K defended its own legal work, instead of giving Plaintiffs candid, conflict-free advice about reliance on counsel, willfulness requirements for fine and penalty exposure, individual penalties, changes to the challenged practices, existing recorded Memoranda, and other critical legal mitigation measures. Indeed, Cosio strategically avoided defenses and mitigation strategies that would have placed H&K's advice at issue and highlighted

H&K's own malpractice. When H&K's interest in protecting its work diverged from its clients' need to confront that work, H&K put its own interests first, breaching both the standard of care and its duty of loyalty.

At no time prior to any Attorney General lawsuit did H&K warn MV or the individual Plaintiffs that alleged violations of state consumer-protection laws could expose officers personally to civil penalties, restitution, injunctions, licensing consequences, reputational harm, and other enforcement remedies. H&K did not warn MV that this personal exposure created indemnification obligations for the company.

The consequences for MV were catastrophic. MV invested approximately $156 million into the business in reliance on H&K's advice, sold equity before the collapse at a valuation of approximately $320 million, and incurred more than $20 million in defense costs. Potential civil penalties ranging from $5,000 to $30,000 per violation across roughly 40,000 HBAs created potential statutory exposure of approximately $200 million to $1.2 billion before restitution, injunctive relief, relief affecting recorded instruments, and personal exposure of the individual Plaintiffs. H&K billed MV more than $9 million for legal work that was supposed to prevent this complete destruction of the business. H&K's malpractice eviscerated the business, eliminated the value of its contracts, exposed the company and its officers to massive liability, damaged their personal reputations and earning capacity, and forced Plaintiffs to pay H&K for defective and conflicted legal work.

PARTIES, JURISDICTION & VENUE

1. Plaintiff MV Realty PBC, LLC ("MV Realty" or "MV") is a Florida limited liability company and a former client of Holland & Knight.

2. Plaintiff Antony Mitchell is an individual residing in Palm Beach County, Florida and a client of Holland & Knight for more than 15 years.

3. Plaintiff Amanda Zachman is an individual residing in Palm Beach County, Florida and a former client of Holland & Knight.

4. Plaintiff David Manchester is an individual residing in Palm Beach County, Florida and a former client of Holland & Knight.

5. Defendant Holland & Knight LLP ("Holland & Knight" or "H&K") is a Florida limited liability partnership.

6. Defendant Jesús E. Cuza is a litigation partner in Holland & Knight's Miami office.

7. Defendant Rebecca Cañamero is a litigation partner in Holland & Knight's Miami office.

8. Defendant J. Raul Cosio is a senior litigation partner in H&K's Miami office.

9. At all relevant times, Cuza, Cañamero, and Cosio acted within the course and scope of their work as H&K partners and lawyers.

10. H&K is liable for their acts and omissions under principles of agency, respondeat superior, and vicarious liability, in addition to H&K's direct liability for its own negligent supervision, staffing, conflict, and client-management failures.

11. This Court has subject matter jurisdiction, because the amount in controversy exceeds $500 million, which is within the jurisdiction of the Court in accordance with Section 26.012 of the Florida Statutes.

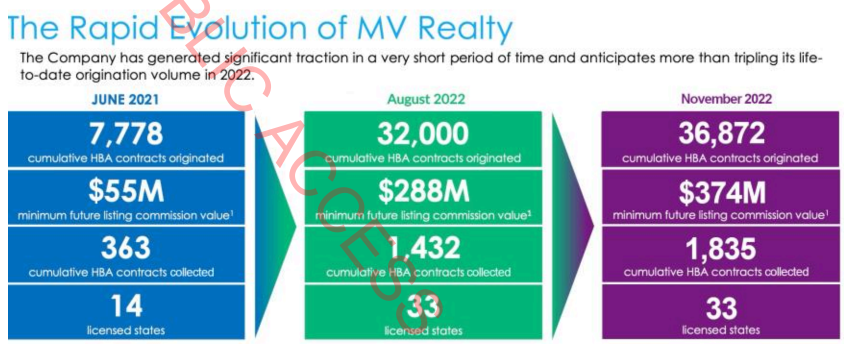
12. Venue is proper in Miami because Defendant Holland & Knight is based in Miami and the legal services at issue were provided from Holland & Knight's Miami office.

THE FAST-GROWING SUCCESS OF MV REALTY

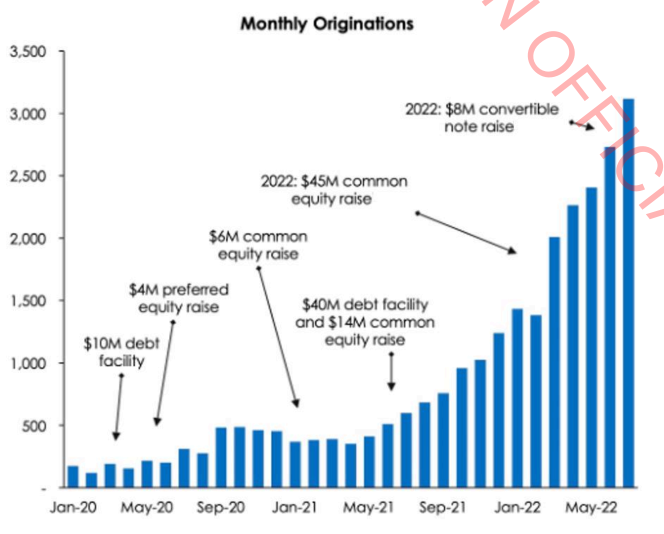
13. MV Realty was a "proptech" residential real estate sales brokerage firm created by seasoned, technologically savvy real estate and specialty finance professionals.

14. While operating the HBA business, the company obtained licenses in 33 states, hired 1,200 agents, and funded 40,000 contracts with homeowners in exchange for the agreement to become their listing agent.

15. MV Realty's rapid growth is shown by the following slide:



16. MV Realty's monthly originations, supported by equity and debt financing, are shown in the following slide:



17. Between October 2018 and July 2022, MV Realty completed seven financing rounds with sophisticated third-party investors totaling more than $130.0 million.

18. These investors included Monroe Capital, a firm with over $21 billion in committed and managed capital, and numerous other sophisticated institutional investors with many billions of dollars.

19. The table below summarizes the valuations from MV Realty's financing rounds:

MV Realty Historical Valuations	
($Millions)	**Valuation**
2/20/2020	18.3
5/20/2020	22.9
1/15/2021	61.5
7/28/2021	70.0
11/1/2021	140.0
7/1/2022	320.0

20. As noted, sophisticated third-party investors valued MV Realty at $320.0 million as of July 2022.

21. This valuation sets the floor for MV Realty's value prior to the catastrophic results of Holland & Knight's malpractice.

22. It represents MV Realty's actual value in July 2022 based upon arm's-length third-party transactions as of that date.

23. With its rapid expansion between July and November 2022, MV Realty's value was trending toward $500.0 million.

H&K REPRESENTED MV REALTY AND ITS OFFICERS

24. MV Realty's CEO, Mr. Antony Mitchell, had a longstanding relationship with Jesús Cuza, the H&K partner who managed the representation of Plaintiffs. Mr. Mitchell had retained Cuza and H&K for numerous private and public company matters, and even for his private personal matters.

25. Over the course of their relationship, Mr. Mitchell and his companies have paid Mr. Cuza and his law firms well in excess of $50 million.

26. In November 2018, H&K began representing MV in all of its general corporate and regulatory matters.

27. H&K agreed to represent MV, Mitchell, Manchester, and Zachman in connection with the HBA business and also the Attorney General investigations and enforcement defense. H&K, Cuza, and Cañamero provided legal advice directly to each Plaintiff concerning the HBA business, and each Plaintiff relied on that advice. H&K and Cosio later provided legal advice directly to each Plaintiff and represented them in the Attorney General investigations and enforcement defense, while Cuza and Cañamero remained involved.

28. H&K, Cuza, and Cañamero advised Mitchell concerning the authorization, funding, and expansion of the HBA business; advised Manchester concerning the consumer descriptions, sales scripts, agent training, and consumer communications he supervised; and advised Zachman concerning the HBA and Memorandum forms, execution of the agreements, broker compliance, and agent training. Had H&K, Cuza, and Cañamero warned that the HBA Program Documents and Practices were unlawful or could expose the officers personally, Mitchell would not have authorized and funded them, Manchester would not have implemented the approved descriptions, scripts, and training, and Zachman would not have executed or supervised their use.

29. H&K's representation of the individuals was confirmed repeatedly through its numerous appearances on their behalf from 2019 to 2023.

H&K PROMOTES ITS CONSUMER PROTECTION AND ATTORNEYS GENERAL PRACTICE AREAS

30. H&K actively promotes its experience advising companies about consumer protection statutes such as the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"), offering details and podcasts boasting its expertise.

31. H&K advises clients that "Consumer protection laws and regulations impact every dimension of business – from advertising and marketing practices, to privacy and data security, to billing and collection issues, to customer service," and represents to the public that "Many of our attorneys and legislative advisors came to Holland & Knight from distinguished careers in federal and state government and are considered 'impact players' in this area of the law."

32. H&K's website even promotes "Holland & Knight's Institute for Consumer Protection Defense and Compliance," noting that it "takes experience and deep knowledge to navigate the complex regulatory sphere that is consumer protection," boasting that "[n]ot only are Holland & Knight attorneys well-versed and up to date on all developments within the field, but Holland & Knight attorneys are innovative thought-leaders in the field."

33. H&K claims that its Consumer Protection practice is bolstered by its State Attorneys General Practice, and that "Holland & Knight's State Attorneys General Practice is led and staffed by lawyers with leadership experience and relationships at the highest levels of state governments. We know how state attorney general (AG) offices and related state agencies function because many of our attorneys played significant roles in running those departments."

34. And H&K emphasizes that this "kind of experience extends throughout our practice and across offices. Our group includes numerous former assistant or deputy AGs" and brags that "[o]ur ongoing relationships with AG offices across the U.S. often result in our practice mitigating problems for our clients in the early stages of investigations or enforcement actions."

35. MV retained H&K precisely because this business required that kind of analysis: it was consumer-facing, operated across multiple states, depended on recorded instruments, used long-term contracts with homeowners, involved consumer disclosures and sales scripts, and carried obvious regulatory risk.

H&K DID NOT CONSULT
THE CONSUMER PROTECTION EXPERTISE IT PROMOTES

36. H&K's representation of MV Realty was headed by Mr. Jesús E. Cuza and Ms. Rebecca Cañamero.

37. Holland & Knight's website states: "Mr. Cuza concentrates in handling commercial and civil litigation … He drafts letters, motions and briefs; takes and defends depositions; attends and addresses court appearances; and tries and arbitrates cases in Spanish and English."

38. Similarly, Ms. Cañamero "practices in the areas of appellate litigation, trial support, white collar criminal defense, internal investigations and healthcare fraud."

39. Neither Mr. Cuza nor Ms. Cañamero has any apparent experience in drafting contracts or disclosures or employee sales training materials for real estate or consumer-facing businesses.

40. Ms. Cañamero and Mr. Cuza reviewed and approved every opinion prior to it being provided to MV Realty.

41. In writing their legal opinions and the HBA transaction documents, neither Mr. Cuza nor Ms. Cañamero collaborated in any significant way with a) H&K's "corporate and regulatory" lawyers (which the engagement letter specified was the broad nature of the advice sought), nor b) lawyers in Holland & Knight's Consumer Protection Practice, nor c) the lawyers in Holland & Knight's Attorneys General Practice.

42. One of the national co-chairs of H&K's Consumer Protection Defense and Compliance department is based in H&K's Miami office, where Cuza and Cañamero are located, and which also houses a number of other attorneys who list "consumer protection" amongst their practice areas. Again, these lawyers were not consulted in any meaningful way as H&K prepared all of MV's HBAs, the recorded Memoranda, enforcement mechanisms, or consumer disclosures or sales trainings.

43. In addition to failing to utilize lawyers in either its own consumer protection practice or attorneys general practices, Holland & Knight also failed to utilize partners or associates who were admitted in the states where Holland & Knight provided opinions.

44. Instead, Mr. Cuza and Ms. Cañamero, both litigators admitted only to practice law in Florida, relied upon a litigation associate (now partner) also admitted only in Florida, to research and issue opinions for 32 other states in which they were not admitted to practice.

H&K's WORK PROVIDED THE LEGAL FOUNDATION FOR MV'S ENTIRE BUSINESS

45. MV Realty's business was simple: pay homeowners who were not currently planning to sell their properties for the right to serve as listing broker if the owner later decided to sell.

46. MV retained H&K to identify the laws applicable to its business, determine whether the business could be conducted lawfully, and, if so, create the contracts, recorded instruments, disclosures, and processes necessary to conduct it lawfully.

47. H&K advised MV that it could proceed. H&K then created and approved the Homeowner Benefit Agreements ("HBAs"), their 40-year term, the early termination fee ("ETF"), the recorded Memoranda, the descriptions of those instruments, the consumer disclosures, the sales

scripts, the training materials, the recording process, and the enforcement and collection processes, and directed MV to use them.

48. Those documents and processes were the legal foundation of MV's entire business.

49. In reliance on H&K's advice, MV expanded its business from Florida into 32 more states, committed capital, funded contracts, recorded Memoranda, trained agents, and grew its business based on the legal documents, opinions, permissions, and risk assessments H&K provided (and for which H&K billed more than $9 million).

50. H&K issued more than 60 formal opinions assuring MV that the HBA Documents and Practices were lawful.

51. H&K's opinions were issued specifically for MV's reliance thereon.

52. A listing of only some of H&K's state-specific legal memos is here:

MV – Alabama Business Expansion Analysis
MV – Alabama Preliminary "Recordability" Analysis
MV – Arizona Business Expansion Analysis
MV – Arizona Preliminary "Recordability" Analysis
MV – California Business Expansion Analysis
MV – California Preliminary "Recordability" Analysis
MV – Colorado Business Expansion Analysis
MV – Colorado Preliminary "Recordability" Analysis
MV – Connecticut Business Expansion Analysis
MV Realty Homeowner Benefit Program
Preliminary Research Relating to Georgia
Recordability of Memorandum of MVR HBA in Georgia
MV – Idaho Business Expansion Analysis
MV – Idaho Preliminary "Recordability" Analysis
MV – Illinois Business Expansion Analysis
MV – Indiana Business Expansion Analysis
MV – Kansas Business Expansion Analysis
MV – Kansas Preliminary "Recordability" Analysis
MV – Kentucky Business Expansion Analysis
MV – Kentucky Preliminary "Recordability" Analysis
MV – Louisiana Business Expansion Analysis
MV – Maryland Business Expansion Analysis

MV – Maryland Preliminary "Recordability" Analysis
Preliminary Research Relating to Massachusetts
MV – Michigan Business Expansion Analysis
MV – Michigan Preliminary "Recordability" Analysis
MV – Minnesota Business Expansion Analysis
MV – New Jersey Business Expansion Analysis
MV – New Jersey Preliminary "Recordability" Analysis
MV – North Carolina Preliminary Recordability Analysis
MV – Minnesota Preliminary Recordability Analysis
MV – Nevada Business Expansion Analysis
MV – Nevada Preliminary "Recordability" Analysis
MV – New York Business Expansion Analysis
MV – New York Preliminary "Recordability" Analysis
MV – Ohio Business Expansion Analysis
MV – Oklahoma Business Expansion Analysis
MV – Oregon Business Expansion Analysis
MV – Preliminary "Recordability" Analysis – Oregon
MV – Pennsylvania Phase I Business Expansion Analysis
MV – South Carolina Business Expansion Analysis
MV – Preliminary "Recordability" Analysis – South Carolina
MV – Tennessee Business Expansion Analysis
MV – Tennessee Preliminary "Recordability" Analysis
MV – Texas Business Expansion Analysis
MV – Texas Preliminary "Recordability" Analysis
MV – Utah Business Expansion Analysis
MV – Utah Preliminary "Recordability" Analysis
MV – Virginia Business Expansion Analysis
MV – Washington Business Expansion Analysis
MV – Washington Preliminary "Recordability" Analysis
MV – Wisconsin Business Expansion Analysis
MV – Wisconsin Preliminary "Recordability" Analysis
MV Realty Homeowner Benefit Program
Recordability of Memorandum of MVR Homeowner Benefit Agreement

H&K'S OPINIONS, CONTRACTS AND TRAININGS ALL FAILED TO ADDRESS APPLICABLE CONSUMER PROTECTION LAWS

53. In its more than 60 formal opinions, H&K consistently failed to address the applicable consumer-protection statutes that were central to the attacks on the HBA business.[1]

54. With respect to Illinois, for example, H&K advised that the only applicable consumer protection issues would arise if MV marketed via direct mail. H&K wrote: "Are there any Illinois consumer protection issues that may be applicable to the HBA? Depending on whether MVR plans to seek prospective customers via mail, there may be one state-specific consumer protection issue applicable to the HBA." The Illinois Attorney General disagreed and sued MV "for violations of the Consumer Fraud and Deceptive Business Practices Act ("Consumer Fraud Act"), 815 ILCS 505/1 et seq., and the Uniform Deceptive Trade Practices Act ("Deceptive Trade Practices Act"), 815 ILCS 510/1 et seq."

55. With respect to Maryland, H&K advised: "There do not appear to be any consumer protection issues that may be applicable to the HBA." The Maryland Attorney General disagreed, suing MV and its Officer for allegedly violating "the Maryland Consumer Loan Law ('MCLL') … the Consumer Debt Collection Act ('CDCA') …. And the Consumer Protection Act ('CPA')."

56. With respect to North Carolina, H&K identified consumer-protection law but then narrowed the analysis to only telephone-solicitation restrictions: "N.C.G.S.A. § 75-102 restricts

[1] H&K's role extended beyond contracts and legal opinions. H&K created, edited, approved, and trained MV on the way its agents described the HBA, the Memorandum, the recordation, and the transaction to homeowners. The descriptions MV used with homeowners came directly from H&K. H&K also approved descriptions that framed the program as cash in exchange for a future promise to use MV, not as a loan. H&K instructed that if a consumer called the program a loan, agents should correct that premise. That advice and training mattered because courts and regulators later attacked the same characterization. The Massachusetts court found, in substance, that "[t]hough it structures these deals as sales-commission arrangements, in economic reality MV is making high-interest loans."

telephone solicitations. To the extent MVR conducts business via telephone solicitations, it should be aware of the various restrictions in North Carolina." The North Carolina Attorney General sued MV Realty under North Carolina's Consumer Protection Law, known as the Unfair and Deceptive Trade Practices Act ('UDTPA'). H&K did not warn that the HBA, ETF, Memorandum, and recording practices themselves could be treated as unfair or deceptive acts under North Carolina law, which the court later "conclude[d] that no genuine issue of material fact exists as to whether Defendants committed an unfair or deceptive trade practice each time it filed a Memorandum that falsely claimed to contain covenants that ran with the land."

57. H&K repeatedly purported to analyze whether the HBA, the recorded Memorandum, the ETF, the disclosures, or the sales practices were compliant with state law. It identified a statute prohibiting unfair or deceptive acts, then asserted in conclusory fashion that none applied, and gave no analysis supporting that conclusion.

58. Because H&K undertook to identify the applicable law and create the lawful documents and processes by which MV would operate, it was required to properly analyze the broad state unfair or deceptive acts or practices ("UDAP") and consumer-protection laws that governed those documents and practices. Those were the laws that later became central to the attacks on the HBA business. H&K's failed analysis of them was a direct failure to perform its assignment and not a protected professional judgment on a close legal question.

59. Because H&K failed to analyze those laws properly, it repeatedly failed to warn MV or the individual clients about injunctions, contract invalidation, restitution, civil penalties, fines, licensing fallout, reputational harm, indemnity exposure, personal liability, or relief affecting recorded instruments.

60. H&K never warned MV, Mr. Mitchell, Ms. Zachman, or Mr. Manchester before any Attorney General lawsuit was filed that alleged violations of state UDAP or consumer-protection laws could expose individual officers personally to civil penalties, restitution, injunctions, licensing consequences, reputational harm, and other enforcement remedies.

61. H&K also never warned MV that personal exposure to its officers created separate indemnity exposure for the company. That omission mattered from the beginning, because the risk existed each time MV entered a state, signed an HBA, recorded a Memorandum, collected or attempted to collect an ETF, or repeated the consumer-facing descriptions H&K had approved.

ATTORNEYS GENERAL ACROSS THE NATION SUE MV BASED ON H&K'S CONTRACTS AND ADVICE

62. 16 states filed suits concerning the HBA Program, and more than 30 states opened investigations.

63. A single Attorney General action might reflect aggressive enforcement or a state-specific dispute, but 16 suits and more than 30 investigations attacking the same H&K-created documents and practices reflected the nationwide legal failure H&K was directly retained to prevent.

64. These AGs attacked all aspects of H&K's advice, including the HBA itself and many of its terms, as well as the recorded instruments, fees, disclosures, sales descriptions, and the overall enforcement structure that H&K created.

65. For example, the Florida Attorney General alleged that what H&K had designed was a "complex and deceptive scheme" and that the HBA was "unfair and unconscionable."

66. Similarly, the Massachusetts Attorney General alleged that terms of H&K's HBA contracts were "unconscionable, unfair and abusive."

67. Likewise, the Indiana Attorney General alleged that the H&K-designed marketing, sale, and servicing of the HBA was "illegal, unfair, deceptive, and abusive."

68. The Minnesota Attorney General alleged that when MV followed H&K's advice and informed consumers that its Memoranda were not liens, it had "falsely represented" that the HBA (and accompanying Memorandum) was "not a lien."

69. The Indiana Attorney General alleged as to the memoranda that H&K said were not liens, "these memoranda act as liens against the homeowners' real property."

70. The Idaho Attorney General alleged that "[e]ven though the HBA is recorded and acts as a lien on a homeowner's property," MV described it as public notice.

71. The Minnesota Attorney General attacked H&K's contracts, alleging that "[s]elling contracts with illegal terms, and threatening to enforce those illegal terms, constitutes deceptive, misleading, and unfair trade practices."

72. The Illinois Attorney General alleged that H&K's contracts and documents were "fashioned to obscure" an unfair and deceptive business model and alleged an "unlawful business scheme."

73. All of these Attorneys General allegations directly contradicted H&K's advice and asserted that the H&K-drafted contracts and practices were both unenforceable and unlawful.

COURTS ACROSS THE COUNTRY HELD THAT H&K'S AGREEMENTS AND MEMORANDA WERE UNCONSCIONABLE, VOID, AND UNENFORCEABLE

74. State courts consistently ruled against MV and its H&K-drafted contracts.

75. For example, the court in Florida held that H&K's contracts were "procedurally and substantively unconscionable and thereby unenforceable"; the court in Colorado held that H&K's contracts were "substantively unconscionable;" the court in New Jersey held that H&K's contracts were "facially unconscionable" and declared them all "unconscionable, unenforceable,

and *void ab initio*." The courts in California, North Carolina and Georgia all reached the same conclusions.

76. Moreover, while H&K repeatedly failed to even analyze whether its contracts were unconscionable, when the firm did research or analyze an issue, such as consumer lending laws, it still got it wrong.

77. Indeed, H&K advised MV Realty that it could file on the public property records a document that H&K drafted and named a "memorandum," and repeatedly insisted that the "memorandum is a document that is used to give notice of the existence of the HBA." H&K consistently stated that "The memorandum is not a lien and does not affect or cloud title." H&K advised that "The memo itself will never be a lien." But the New Jersey court flatly rejected H&K's advice, instead holding that the Memorandum was "as a matter of law and fact, a lien or restrictive covenant that clouds title and must be resolved prior to any property transaction," that its "immediate recording . . . is unconscionable," and further that "the memorandum appearing in a consumer's chain of title is indisputably a lien."

78. In Georgia, H&K advised MV that "the homeowner's obligations under the Agreement constitute covenants running with the land and … notice of a covenant running with the land is a type of instrument that is entitled to be recorded in the public land records." But the Georgia Court held that "Neither MV Realty's HBAs nor its Memorandums are covenants running with the land because the HBA is a personal services contract and does not affect the nature, quality, or value of the consumer's property, and therefore the Memorandums were not recordable in the real property records as such," and that "MV Realty's practice of unlawfully recording the Memorandum is an unfair practice..." The Georgia court held that "MV Realty's Memorandums are nonconforming liens not eligible for filing and recording" and that "[e]ach of the 3,306

Memorandums that MV Realty recorded constitutes a violation of the FBPA" (the Fair Business Practices Act).

79. The North Carolina court agreed, holding: "Defendants committed an unfair or deceptive trade practice each time it filed a Memorandum that falsely claimed to contain covenants that ran with the land."

80. These rulings did not identify a collateral operational error. They held that the contracts and recorded instruments H&K created were themselves unlawful, unconscionable, void, or unenforceable. H&K therefore failed at the central task it was retained to perform. Creating unlawful and unenforceable contracts when H&K was retained to make the business lawful and enforceable is malpractice, not protected professional judgment.

THE FLORIDA COURT HELD THAT H&K'S CONTRACTS AND RECORDING OF H&K'S MEMORANDA VIOLATED STATE CONSUMER PROTECTION LAWS

81. On February 12, 2025, the Florida court granted partial summary judgment in favor of the State on injunctive relief. The court found that "the HBAs and associated Memoranda are both procedurally and substantively unconscionable and thereby unenforceable." It further held that MV's "actions and practices surrounding the Homeowner Benefit Program—and the HBAs and Memoranda themselves" constituted unlawful practices under FDUTPA.

82. The court found that "the HBA's terms are substantively unconscionable," including the 40-year term, the arbitration provisions, and the covenant-running-with-the-land language. The court also found that "Defendants' immediate recording of the HBA Memorandum in the public records is unconscionable in both procedural and substantive aspects."

83. The court enjoined MV from enforcing HBAs, collecting early termination fees, asserting enforceable property interests or clouds on title arising from HBAs, recording new

Memoranda, or otherwise enforcing the very documents and recorded instruments H&K had created and approved.

84. Based on the allegations and rulings obtained in the Florida Attorney General action, on May 2, 2025, the Secretary of the Florida Department of Business and Professional Regulation ordered the emergency suspension of the Real Estate Broker licenses of MV Realty, Ms. Zachman, and related entities.

85. The Florida Attorney General also moved for summary judgment, seeking more than $200 million in fines and penalties against MV and its officers individually. Facing that exposure, Plaintiffs had no choice but to resolve the case on terms that included an $18 million suspended judgment against MV, $3 million in suspended penalties against MV's principals, a $3 million payment by MV, an injunction against collecting monies from consumers related to the HBA, termination of recordings in the public record related to HBAs and Memoranda, and 10-year injunctions restricting MV's principals from participating in future consumer-facing real-estate activities.

86. The Florida summary judgment hearing was held on December 4, 2025, with a jury trial set for the following day on December 5, 2025.

87. Facing such draconian fines and penalties that would ruin their lives even more, Plaintiffs had no choice but to agree to a final consent judgment, the terms of which the Florida AG summarized in a press release:[2]

- $18 million suspended judgment against MV Realty, designated as $6 million in disgorgement for ill-gotten gains, $10 million in civil penalties, and $2 million in attorneys' fees and costs;
- $3 million in suspended penalties against MV Realty's principals;

[2] https://www.myfloridalegal.com/newsrelease/attorney-general-james-uthmeier-secures-judgment-against-mv-realty-scamming-florida

- $3 million payment required by MV Realty due by June 30, 2026;
- An injunction against any efforts to collect any monies from consumers related to the unconscionable Homeowner Benefit Agreement;
- Termination of all recordings in the public record related to Homeowner Benefit Agreements and the associated Memoranda;
- 10-year injunction against MV Realty's principals related to conducting certain consumer-facing real estate activities;
- 10-year injunction against MV Realty's principals creating or offering any class of assets secured by residential real property in Florida; and
- 10-year injunction against creating, operating, managing, or controlling any business that engages in consumer-facing telemarketing in Florida.

THE GEORGIA COURT HELD H&K'S CONTRACTS AND RECORDING OF H&K'S MEMOS VIOLATED ITS CONSUMER PROTECTION LAWS

88. H&K advised MV that the Georgia Memoranda could be recorded as notice of covenants running with the land. The Georgia court held the opposite. It found that "MV Realty's Memorandums are nonconforming liens not eligible for filing and recording under O.C.G.A. § 44-14-320(b)(1)." It further held that neither the HBAs nor the Memoranda were covenants running with the land because the HBA was a personal-services contract and did not affect the nature, quality, or value of the property.

89. The Georgia court held that MV's recorded Memoranda caused substantial injury because they "constitute an immediate and ongoing title defect," and that MV's practice of unlawfully recording the Memoranda was an unfair practice under the FBPA. The court further held that "[e]ach of the 3,306 Memorandums that MV Realty recorded constitutes a violation of the FBPA."

90. Because statutory penalties run from $5,000 to $10,000 per violation, Georgia's 3,306 recorded Memoranda alone created approximately $16.5 million to $33 million in penalty exposure before counting multiple violations per contract, and before accounting for parallel exposure in other states where MV recorded H&K-created Memoranda.

91. The Georgia court also rejected the early termination fee (ETF) H&K created. It found that MV's ETF was "intended to penalize consumers," was not a reasonable pre-estimate of probable loss, and that "MV Realty's ETFs are therefore unenforceable penalties under Georgia law."

92. The court enjoined MV from recovering or attempting to recover any commission, ETF, or penalty relating to a Georgia HBA, enforcing or attempting to enforce any Georgia HBA, asserting any enforceable property interest or cloud on title, and recording any Memorandum or other document providing public notice of an HBA.

THE CALIFORNIA ATTORNEY GENERAL ACTION

93. H&K also opined on the "legal feasibility of a California expansion" for MV, greenlighting every aspect of MV's California business.

94. On December 13, 2023, the Attorney General of the State of California sued MV and, on September 13, 2024, the California Court issued a preliminary injunction against MV rejecting the essential advice H&K provided.

95. H&K opined that Memoranda recording "is permissible if the Memorandum affects title or possession of real property." But the California court found that "the memorandum operates as a lien on homes" and was "clouding title and preventing the homeowner from, inter alia, selling their homes, refinancing their mortgages, or taking out equity in their homes." The court ordered that the "Defendants shall record terminations of all Memorandums of Homeowner Benefit Agreements filed on the properties of California homeowners." The court further ordered: "Defendants shall not record any encumbrance relating to a Homeowner Benefit Agreement on the property of any California homeowner."

96. H&K opined that the Early Termination Fee was a "valid contractual provision" that operated as "liquidated damages" and "do[es] not operate as a penalty," but the California

court held the Early Termination Fee was a penalty "designed to coerce homeowners," which contributed to the court's finding that the Attorney General was likely to succeed in establishing that the HBA violated California's Unfair Competition Law and consumer protection statutes.

97. H&K further opined that the Early Termination Fee set forth in the agreement it prepared was a form of "liquidated damages" and a "valid contractual provision." The California Attorney General alleged it was "an illegal penalty—which MV Realty calls an 'Early Termination Fee'—set at 3% of the home's value." The California court found that "Defendants have effectively placed clouds on title of the homeowners through the lien recordations, with the only way to remove the cloud by paying a 3% penalty." The court then ordered that "Defendants shall not enforce any Homeowner Benefit Agreement entered into with a California homeowner," thereby prohibiting MV from collecting the Early Termination Fee or otherwise enforcing the agreements.

98. The Court effectively shut down MV's California business when it ordered that MV "shall not enforce any Homeowner Benefit Agreement entered into with a California homeowner for the pendency of this litigation" and that MV "shall record terminations of all Memorandums of Homeowner Benefit Agreements filed on the properties of California homeowners." This ruling was later upheld by the California appellate court.

THE NORTH CAROLINA COURT HELD H&K'S CONTRACTS AND RECORDING OF H&K'S MEMOS VIOLATED ITS CONSUMER PROTECTION LAWS

99. H&K's North Carolina analysis specifically considered whether there were issues relating to enforceability of recording the Memorandum and confirmed with Plaintiffs: "No, there do not appear to be issues relating to enforceability of recording/registering." The North Carolina court later held that MV committed an unfair or deceptive trade practice every time it filed a Memorandum that falsely claimed to contain covenants running with the land.

100. The North Carolina court additionally held that ETF collection was unlawful. The court concluded that "no genuine issue of material fact exists as to whether Defendants committed an unfair or deceptive trade practice each time it collected an ETF from a North Carolina homeowner," and further concluded that "the collection of ETFs pursuant to the HBA program against North Carolina homeowners is not permitted under North Carolina law."

101. The court ordered the removal of the Memoranda and permanently enjoined MV from collecting ETFs from North Carolina homeowners or enforcing the HBAs.

H&K'S NEGLIGENT HIRING OF LOCAL COUNSEL

102. H&K was also responsible for selecting and supervising local counsel capable of performing the specialized consumer protection, recording law, real estate regulatory, and Attorney General enforcement analysis that MV needed.

103. One of the firms H&K selected for MV was Pashman Stein Walder Hayden P.C. ("Pashman Stein") in New Jersey.

104. Pashman Stein was hired because Holland & Knight's Jesús Cuza had attended college with Michael Stein, the son of one of its founding partners, Gary S. Stein.

105. Pashman Stein offers no consumer protection expertise.

106. Yet Pashman Stein, together with H&K, decided that in order to conduct HBA business in New Jersey, it would need to create a "New Jersey version of the Homeowner Benefit Program that has the greatest likelihood of withstanding regulatory scrutiny and being compliant with those statutory and regulatory provisions that potentially could be found applicable to the New Jersey version of the program."

107. That New Jersey version of the program they created included a 3% Early Termination Fee, a 40-year term, immediate recordation of a memorandum that was characterized as "not a lien," and an arbitration provision with fee shifting. The opinion provided to MV states:

a. "We conclude that New Jersey courts would not invalidate the forty-year maximum term on the ground of unconscionability."

b. The early termination fee of 3% "is unenforceable" but this "conclusion does not require that the clause be removed from the Homeowners Benefit Agreement."

108. Directly contradicting this advice, New Jersey's Attorney General filed a lawsuit, and the New Jersey Court granted summary judgment against MV holding that the Early Termination Fee was a "virtually guaranteed commission" that "violates" the law, that the memorandum was "a lien … that clouds title" whose "immediate recording … is unconscionable," the 40-year term was an "excessive encumbrance," the lis pendens, arbitration and fee-shifting regime would "prevent the sale … unless and until the lien is paid."

109. The Court emphasized this required no proof of reliance or actual harm because "relief is predicated on facially unconscionable terms in violation of the" Consumer Fraud Act. It then declared "all HBAs … unconscionable, unenforceable, and void ab initio," and ordered broad relief including the discharge of all recorded memoranda—the very recording practice that H&K and Pashman had created and endorsed.

H&K REFUSED TO CORRECT ITS MISTAKES

110. In 2022, a number of consumers complained to MV Realty and/or to state attorneys general about various provisions of the HBAs that H&K had drafted.

111. MV Realty sent both the consumer complaints and the resulting inquiries from the attorneys general to H&K, asking H&K what MV Realty should do in response.

112. Lawyers should use consumer complaints and communications with regulators to correct potential problems without litigation, but H&K did not.

113. The mounting consumer complaints and Attorney General inquiries gave H&K repeated opportunities to revisit its work, warn MV and its officers, recommend changes, disclose risk, or advise independent counsel. H&K did none of this.

114. Instead, over the course of two years, H&K refused to make a single change to its HBA or its Memorandum and continued defending the same documents, opinions, descriptions, and recordation positions it had created.

H&K FAILED TO DISCLOSE ITS CONFLICT OF INTEREST

115. In addition to refusing to correct its mistakes, H&K also failed to disclose its conflict of interest, which arose at the latest when the Florida Attorney General action, followed immediately by other Attorney General lawsuits, placed H&K's work for MV directly at issue.

116. The attorneys general complaints all specifically challenged H&K's HBA, H&K's Memoranda, H&K's 40-year term, H&K's early termination fee, H&K's recorded-instrument descriptions, H&K's disclosures, and the enforcement structure that H&K had created and approved.

117. Defendant J. Raul Cosio is a senior litigation partner in H&K's Miami office.

118. Cosio led H&K's litigation defense while Cuza and Cañamero remained involved.

119. Under Cosio's lead, H&K then began defending MV and the individual plaintiffs while it was H&K's original work that was under attack.

120. H&K implemented a strategy of seeking to defend the contracts it had prepared rather than explaining to the courts that MV had hired H&K specifically to design contracts and

disclosures that did not violate any laws, and having H&K assume responsibility if its work had violated any laws.

121. H&K never disclosed the conflict and never obtained a waiver.

122. A law firm whose own work is a central cause of the client's exposure cannot continue steering the defense without disclosing that conflict and ensuring the client receives independent advice.

123. H&K did not do that. Instead, H&K continued defending the validity of the same documents, opinions, and positions that had created the legal exposure.

124. Under the Florida consumer protection statute, FDUTPA, civil penalties require willful conduct.

125. A violation is willful only where the person knew or should have known the conduct was unfair, deceptive, or prohibited.

126. MV and its officers retained H&K to make sure their conduct was totally legal.

127. MV and its officers believed H&K's insistence that H&K's work product was totally legal and was not unfair or deceptive to consumers.

128. A defense focused on H&K's work, and H&K's failures, therefore went directly to willfulness, penalties, individual liability, settlement leverage, and mitigation.

129. That defense would have helped MV and the individual clients but required H&K to state affirmatively that if anyone was at fault for violating FDUTPA, it was H&K.

130. H&K never advised MV or its officers to pursue that defense.

131. A conflict-free lawyer would have advised MV and the individual clients to confront the legal risk directly, obtain independent advice, consider pausing or changing recordation, revise disclosures and scripts, reassess ETF collection, address existing recorded

Memoranda, open settlement discussions from a position of reliance on counsel, and use H&K's advice to contest willfulness and civil penalties. H&K did not give that advice because meaningful mitigation would have required H&K to put its own documents, opinions, training, recordation advice, and legal conclusions at issue. H&K protected its own position when MV and the individual clients most needed independent, candid, conflict-free advice.

132. H&K's interest in protecting its prior work diverged from its clients' interest in confronting it. That divergence was the conflict. H&K's failure to recognize, disclose, and resolve this conflict of interest breached the duty of loyalty and the duty to provide competent, candid, conflict-free advice.

133. The conflict was not merely practical; it was an ethical and legal conflict.

134. Rule 4-1.7 of the Rules Regulating the Florida Bar governs legal conflicts of interest. Its comments state that "The lawyer's own interests should not be permitted to have adverse effect on representation of a client. … If the probity of a lawyer's own conduct in a transaction is in serious question, it may be difficult or impossible for the lawyer to give a client detached advice."

135. Similarly, the North Carolina State Bar has written that, as the American Bar Association has noted, "claims against lawyers for malpractice obviously implicate such concerns." ABA Formal Op. 02–425, at 7.

136. When a lawyer realizes that she made an error that may give rise to a malpractice claim against her, the lawyer's personal interest in avoiding liability may materially impair her professional judgment. Specifically, she may take actions that are contrary to the interests of the client to protect herself from liability. This is the essence of a conflict of interest. N.C. State Bar, 2015 N.C. Eth. Op. 4 ("Disclosing Potential Malpractice to a Client").

137. As the U.S. District Court for the Southern District of New York recently explained: "an attorney's involvement in the conduct underlying a lawsuit may raise serious conflicts of interest precluding the attorney's representation of a party to the lawsuit." *Securities and Exch. Comm'n v. Thurlow*, No. 21-CV-7700 (VSB), 2024 WL 5245008, at *2 (S.D.N.Y. Dec. 30, 2024); Gleason v. Zocco, 941 F. Supp. 32, 35 (S.D.N.Y. 1996); *Decker v. Nagel Rice LLC*, 716 F. Supp. 2d 228, 234–35 (S.D.N.Y. 2010); *cf. U.S. v. Fulton*, 5 F.3d 605, 611 (2d Cir. 1993).

138. Rule 1.7(b) allows a lawyer to proceed with a representation burdened by a conflict only if the lawyer reasonably believes that she will be able to provide competent and diligent representation to the client and the client gives informed consent, confirmed in writing. In order for consent to be informed, the lawyer must have "communicated adequate information and explanation about the material risks of and reasonably available alternatives to the proposed course of conduct." The informed consent must be "confirmed in writing or clearly stated on the record at a hearing."

139. When Cosio assumed control of the defense of MV, he had both the opportunity and the obligation to make a truthful disclosure to the clients that H&K's own work product that was under attack, and if H&K's work product was held to be unconscionable and violative of state consumer protection laws:

a. MV would have a malpractice claim against H&K and that H&K therefore had a conflict of interest;

b. As a defense to the attorneys general actions, MV should place the blame squarely on H&K's shoulders i) as early as possible, ii) in order to protect the individual defendants from personal liability, and iii) seek to work with the attorney generals of the various states to settle the actions by revising H&K's HBA, H&K's Memoranda, and all other aspects of H&K's advice.

140. Doing so would necessarily involve attacking H&K's own work.

141. Cosio never disclosed these options to Plaintiffs.

142. Cosio never disclosed this conflict to Plaintiffs.

143. If Cosio had pursued the defense of stating that MV had paid H&K more than $7 million precisely to make sure its contracts were compliant with all consumer laws, it would have changed the nature of all of the Attorneys General proceedings, and MV could have avoided the total destruction of its business, the fees of defending the suits, the settlements of the suits, and the destruction of the Plaintiffs' reputations and earnings capacities.

144. Had H&K met the standard of care, it would have designed a lawful and enforceable version of the business that allowed MV to invest, grow, and operate without the defects courts and regulators later condemned. Alternatively, if competent analysis showed that no lawful version could be built, H&K was required to tell MV not to proceed before MV invested approximately $156 million and incurred the resulting liabilities. Under either alternative, H&K caused the loss of the lawful, enforceable business it was retained to create.

145. H&K and Cosio both recognized the importance of this because in May of 2023 H&K prepared, signed and filed an opposition to the North Carolina Attorney General's motion for a preliminary injunction in which H&K argued that MV "spent substantial resources, including hiring national and local counsel, to ensure its business model and documents were consistent with North Carolina law. After launching in North Carolina … MV hired Nelson Mullins, a law firm with a strong presence in North Carolina, to assist. Specifically, MV worked with Evan Sauda and Dennis Wicker to review MV's model and advise on North Carolina law."

146. While acknowledging the importance of this point, H&K was careful to avoid drawing attention to the fact that it was not the Nelson Mullins firm nor the two Nelson Mullins partners H&K named in its brief (who worked primarily on consumer complaints after the fact), but rather it was H&K itself that spent thousands of hours creating the program under attack and it was H&K that authored the numerous written opinions vouching for the legality of MV's business model and documents.

147. Despite noting this in its factual discussion, H&K failed to argue these key points in the critical "balance of equities" section of the brief. MV lost the preliminary injunction hearing, which effectively shut down its business in North Carolina.

148. The framing served H&K, not its clients. Asserting squarely that MV had relied on H&K's formal opinions was among MV's most powerful defenses—it went directly to good faith and to the willfulness required for individual penalties — but asserting it would have required production of H&K's opinions, made H&K's own lawyers necessary witnesses, placed H&K's work at issue before the court, and exposed H&K to disqualification from a representation for which it was charging MV millions of dollars.

149. H&K never advised MV of that defense, never disclosed the conflict that prevented H&K from raising it, and never sought a waiver. It instead invoked the existence of counsel's advice to bolster MV's good faith while ensuring that the advice itself — and its author — stayed out of the record. MV's strongest defense went unasserted so that H&K's weakest work would go unexamined.

150. Moreover, H&K's failure to disclose its conflict had a direct detrimental impact on MV's officers. When MV's bankruptcy counsel insisted in the summer of 2023 that H&K confirm it was protecting these officers, Cosio wrote "[we] are doing what we have to do [to] protect

individuals" but Mr. Cuza interposed his view that: "Just to clarify something important. The pressing issues right now relate to the Florida action. Those pressing issues do not really affect the individuals in their personal capacity."

151. Cuza and Cosio's own words demonstrate either a reckless indifference to the interests of the individual defendants they represented or an inexcusable lack of competence regarding the law pursuant to which the individual officers faced hundreds of millions of dollars of exposure in their personal capacities.

152. As a result of Cosio and Cuza's failure to protect the individual officers, and instead choosing to protect H&K's interest, the individual officers (Plaintiffs herein) have had hundreds of millions of dollars of fines and penalties sought against them and have had to repeatedly enter into punitive consent judgments that included injunctions, personal guarantees, and joint and several liability for their involvement in HBA program H&K designed.

DAMAGES

153. Defendants' malpractice destroyed MV's business, which had been valued at $320 million by arm's-length third-party investors as of July 2022, and which had grown to more than $350 million in value by December 2022. Defendants are responsible for the damages caused by their destruction of MV's business.

154. Defendants' malpractice caused MV to pay more than $20 million in legal fees defending the Attorneys General actions.

155. Defendants' malpractice caused all Plaintiffs to have to pay more than $10 million to settle the Attorneys General actions.

156. Defendants' malpractice has left Plaintiffs liable for hundreds of millions in additional damages in the form of fines and penalties.

157. Defendants' malpractice has destroyed the earnings capacities of Mr. Mitchell, Mr. Manchester, and Ms. Zachman, which together amount to more than $50 million in damages.

158. Prior to H&K's malpractice, Mr. Mitchell had taken four companies public in three countries and three different industries, rang the bell on the NYSE, in London, and in Toronto, raised billions in investment, and created tens of billions in shareholder value. After the AG actions and adverse rulings, he could no longer be associated with public companies or investors and lost significant earning opportunities.

159. Ms. Zachman suffered severe licensing, business, and personal consequences. A third-generation real estate professional who led a five-star Zillow-rated real estate company, she had her Florida real estate license revoked, saw the brokerage license of her new business revoked because of its association with her, and had to hire private security because of threats to her life.

160. Prior to H&K's malpractice, Mr. Manchester built a distinguished executive career in technology, consumer finance, and residential real estate, including serving as a senior executive of a Blackstone portfolio company. While at MV, following H&K's direction, he used his expertise to scale MV Realty from 13 employees into a national enterprise operating in 33 states. After the nationwide Attorney General actions and adverse rulings, his executive reputation, marketability, career opportunities, and family life were materially impaired by the continuing public association of his name with the HBA business.

161. Defendants' malpractice has caused more than $100 million in damages to the reputations of Mr. Mitchell, Mr. Manchester, and Ms. Zachman. These reputation issues were not only foreseeable they were discussed with H&K before it undertook its representation.

162. H&K and its lawyers have avoided public responsibility while more than 600 negative news articles and television reports have destroyed the personal and professional

reputations of MV's officers. Just a small sampling of the words and phrases that will now and forever be associated with Mitchell, Manchester, and Zachman due to H&K's malpractice are the following:

- "deceptive scheme";
- "deceptive business practices";
- "deceptive practices";
- "deceptive practices that trick people";
- "deceptive trade practices";
- "deceptive and unlawful business practices";
- "Fast-Cash Scam";
- "fraudsters placing liens on family homes";
- "hidden oppressive terms";
- "homeowner scam";
- "illegal consumer lending scheme";
- "illegal liens on homes";
- "illegal 40-year listing agreements";
- "illegally locked Colorado homeowners into unfair, long-term contracts";
- "illegal liens";
- "illegally recorded liens";
- "locking homeowners in fraudulent deals to extract illegal fees";
- "misleading Maryland homeowners into predatory loan";
- "oppressive contracts";
- "Predatory Contracts";
- "predatory practices";
- "predatory lending";
- "predatory scheme" ;
- "predatory and abusive scheme";
- "predatory lenders trying to disguise their loans";
- "Predatory real estate company banned in MN";
- "predatory housing deals";
- "predatory real estate practices";
- "predatory loan agreements";
- "predatory and unfair scheme";
- "predatory real estate scheme";
- "scamming financially struggling residents";
- "Scamming Florida";
- "scammers decades-long real estate contracts";
- "scheme of consumer fraud";
- "swindling homeowners";
- "swindling consumers";
- "unfair contracts";

- "unfair brokerage agreements";
- "unfair, unlawful, and fraudulent conduct";
- "unfair and deceptive practices";
- "unfair and deceptive trade practices";
- "unfair, deceptive, and unconscionable";
- "unconscionable contract";
- "unconscionable liens and HBAs";
- "unconscionable fees";
- "voiding unfair contracts";
- "violations of the Consumer Fraud Act"

163. For nearly four years, Mr. Mitchell, Mr. Manchester, and Ms. Zachman, collectively named as individual defendants in sixteen state Attorney General actions, have been left to defend H&K's work at ruinous personal and financial cost, including the following:

a. They have prepared for and participated in more than 1,000 hours of depositions, produced tens of millions of documents in discovery, and devoted more than 10,000 hours of their own and their employees' time to the defense of H&K's work, over and above the more than 10,000 hours of outside-counsel time and more than $20 million in defense fees expended attempting to defend the documents, advice, and practices H&K supplied.

b. Because those efforts could not overcome the defects in H&K's work, courts repeatedly rejected the documents and legal positions H&K supplied, and Mr. Mitchell, Mr. Manchester, and Ms. Zachman were ultimately required to enter consent judgments imposing liability upon them in their individual capacities and personal payment obligations tied to fines, penalties, and restitution assessed in resolutions with MV.

c. They were further required to agree to satisfy portions of those judgments personally if MV could not make the required payments.

d. In California, Mr. Mitchell and Mr. Manchester accepted personal payment obligations with the expectation and understanding that H&K would fund the resulting fines, penalties, and restitution. H&K repeatedly failed to make the California payments when due and has refused to provide any reliable commitment to fund the remaining payments or future state resolutions.

e. The resulting defense costs from defending H&K's work have exhausted MV's financial resources. MV can no longer afford to defend the pending Attorney General actions, satisfy the remaining regulatory obligations, remove the recorded Memoranda, or negotiate and perform additional state resolutions without funding.

164. H&K knows exactly the damage its work caused and that the harm remains ongoing. Courts have struck down or refused to enforce the documents it prepared and have rejected the legal conclusions upon which the HBA business was built. More than 10,000 H&K-created Memoranda remain recorded against homeowners' properties, more than 10,000 H&K-drafted Homeowner Benefit Agreements remain outstanding, and the state enforcement proceedings arising from H&K's work continue. MV has placed H&K on written notice of the continuing defense costs, regulatory obligations, recorded instruments, unresolved proceedings, and additional imminent harm.

165. Rather than help its clients defend the work H&K performed or contain the harm that work caused, H&K has consistently acted only to protect itself:

a. When MV sought to call H&K lawyers as witnesses in the Florida Attorney General action, H&K privately urged the Attorney General to seek exclusion of their testimony.

b. When MV sought H&K's testimony in MV's action against its directors-and-officers insurer, H&K moved for a protective order to prevent that testimony and, when compelled to appear for deposition, declined to answer basic factual questions concerning its knowledge of the matters at issue.

c. H&K will not fund the removal of the Memoranda it created and that courts have condemned as unlawful or unenforceable, although MV no longer has the means to remove them.

d. H&K will not commit to satisfying the remaining payments owed to state regulators or to funding future settlements needed to end the enforcement proceedings its advice produced.

166. It is one thing to cause a catastrophe of this magnitude through inexcusable professional errors. It is a different and far graver wrong, a knowing and willful one, to watch that catastrophe deepen year after year, with full knowledge of exactly what one has done, and refuse to make it better. H&K has the knowledge, resources, and opportunity to contain the harm it caused. It has chosen not to do so.

167. And H&K keeps the money. To date, it has retained every dollar of the more than $7 million it collected to make the HBA business lawful, and not one dollar of those fees has been returned. During the same period in which its former clients lost their company, their savings, their livelihoods, and their good names, H&K reported record annual revenues exceeding $2 billion. It has every resource necessary to help contain the harm it caused and chooses not to commit those resources to ending it.

168. H&K also continues to promote the lawyers responsible for the work at issue. Even as Plaintiffs allege more than $500 million in damages, lasting reputational harm, and an inability

to fund the remaining defense, H&K publicly holds Ms. Cañamero out as a "Holland & Knight Rising Star, Class of 2025."

169. Lawyers are trusted with other people's businesses, livelihoods, and lives. H&K accepted that trust from MV, Mr. Mitchell, Mr. Manchester, and Ms. Zachman, destroyed what it was hired to protect, and then turned away from the clients it left behind. A law firm that causes devastation on this scale and then walks away from the wreckage while retaining its clients' fees and reporting record revenues has done more than commit malpractice. It has made a deliberate choice about the clients it destroyed. That choice reflects a knowing and reckless disregard for the business, livelihoods, reputations, and lives entrusted to H&K and for the years of continuing harm that H&K has the resources and unique ability to help end. That choice is reprehensible, incompatible with the duties of anyone entrusted to represent clients, and the true measure of H&K's culpability.

COUNT I
NEGLIGENCE/PROFESSIONAL MALPRACTICE
Grossly Negligent Business Legal Advice
(Plaintiffs v. Holland & Knight, Cuza, and Cañamero)

170. Plaintiffs re-allege and incorporate paragraphs 1 to 169 as if set forth verbatim herein.

171. The legal advice and services Plaintiffs sought were within what Holland & Knight, Jesús E. Cuza, and Rebecca Cañamero professed to be in their professional competence and area of specialty.

172. H&K, Cuza, and Cañamero expressly agreed to identify the laws applicable to MV's business, determine whether the business could be conducted lawfully, and, if so, create the contracts, recorded instruments, disclosures, and processes necessary to conduct it lawfully.

173. Plaintiffs reasonably believed that H&K, Cuza, and Cañamero were representing them in connection with providing the aforementioned legal advice and services.

174. By virtue of the above, an express attorney-client relationship existed between Plaintiffs and H&K, Cuza, and Cañamero.

175. H&K, Cuza, and Cañamero further rendered legal advice and services to Plaintiffs outside of the terms of the Engagement Letter.

176. In addition, and in the alternative, an implied attorney-client relationship existed between Plaintiffs and H&K, Cuza, and Cañamero.

177. By virtue of the attorney-client relationship, H&K, Cuza, and Cañamero had a duty to Plaintiffs to exercise ordinary skill and knowledge consistent with the applicable standard of care for attorneys licensed in Florida and practicing in the consumer protection, state Attorneys General and real estate fields of law.

178. As more fully set forth above, H&K, Cuza, and Cañamero breached the duty owed to Plaintiffs to exercise ordinary skill and knowledge consistent with the applicable standard of care by, among other things:

a. Staffing MV's "corporate and regulatory" engagement solely with litigators with no experience in corporate and regulatory matters;

b. Having litigators with no consumer protection experience draft all of MV's consumer contracts, disclosures, training and recorded memoranda;

c. Not consulting attorneys in its "Consumer Protection Institute" or "Attorneys General Practice";

d. Failing to properly analyze the consumer-protection, recording-law, real-estate, lending, unconscionability, restitution, penalty, injunction, Attorney General enforcement, and individual-officer exposure risks inherent in the business;

e. Failing to correct its mistakes in 2021 and 2022 when consumers and Attorneys General brought the issues to H&K's attention;

f. Failing to make the HBA Program Documents and Practices lawful and enforceable;

g. Drafting and approving agreements, Memoranda, ETFs, disclosures, scripts, and training materials that state Attorneys General and courts across the country later attacked or found unlawful, unconscionable, void, or unenforceable; and by negligently advising Plaintiffs that they could proceed with the business as designed;

h. Failing to warn Plaintiffs of the potential consequences if H&K's advice turned out to be wrong;

i. Failing to warn the officers of MV of the grave personal risks of exposure to fines and penalties in their individual capacities if H&K's advice turned out to be wrong.

179. H&K, Cuza, and Cañamero's conduct was outrageous and demonstrated a reckless indifference to the rights of Plaintiffs.

180. As a direct and proximate result of their breach of duties, Plaintiffs have suffered and continue to suffer damages as fully set forth herein for which Defendants are liable.

181. As a direct and proximate result of their breach of duties, Plaintiffs have incurred substantial legal fees and expenses that they would not otherwise have had to expend.

WHEREFORE, Plaintiffs demand judgment against Defendants, Holland & Knight, LLP, Jesús E. Cuza, and Rebecca Cañamero for an amount exceeding $300 million and up to $1.2 billion; and for such other and further relief, in law or in equity, to which Plaintiffs may be justly entitled.

COUNT II
BREACH OF FIDUCIARY DUTY
(Plaintiffs v. Holland & Knight, Cuza, Cañamero, and Cosio)

182. Plaintiffs re-allege and incorporate paragraphs 1 to 169 as if set forth verbatim herein.

183. Plaintiffs had an attorney-client relationship with each of the Defendants.

184. By virtue of the attorney-client relationship, the Defendants owed Plaintiffs a fiduciary duty, including a duty of care and a duty of utmost loyalty.

185. Further, by way of their superior knowledge regarding consumer protection laws, real estate laws, and State Attorneys General practices, as well as their knowledge that Plaintiffs lacked such knowledge and were relying on H&K's advice, the Defendants caused Plaintiffs to repose a special trust and confidence in their firm.

186. As more fully set forth above, the Defendants breached their duties of care and loyalty by:

a. Staffing MV's "corporate and regulatory" engagement solely with litigators with no experience in corporate and regulatory matters;

b. Having litigators with no consumer protection experience draft all of MV's consumer contracts, disclosures, training and recorded memoranda;

c. Not consulting attorneys in its "Consumer Protection Institute" or "Attorneys General Practice";

d. Failing to properly analyze the consumer-protection, recording-law, real-estate, lending, unconscionability, restitution, penalty, injunction, Attorney General enforcement, and individual-officer exposure risks inherent in the business;

e. Failing to correct its mistakes in 2021 and 2022 when consumers and Attorneys General brought the issues to H&K's attention;

f. Failing to make the HBA Program Documents and Practices lawful and enforceable;

g. Drafting and approving agreements, Memoranda, ETFs, disclosures, scripts, and training materials that state Attorneys General and courts across the country later attacked or found unlawful, unconscionable, void, or unenforceable; and by negligently advising Plaintiffs that they could proceed with the business as designed;

h. Failing to warn Plaintiffs of the potential consequences if H&K's advice turned out to be wrong;

i. Failing to warn the officers of MV of the grave personal risks of exposure to fines and penalties in their individual capacities if H&K's advice turned out to be wrong;

j. Continuing to represent MV and the Individual Plaintiffs after H&K's own documents, advice, and conduct became central subjects of the Attorney General investigations and lawsuits;

k. Failing to disclose that H&K's interest in defending its own work materially conflicted with Plaintiffs' need for candid and independent advice about that work;

l. Failing to obtain informed consent or advise Plaintiffs to obtain independent counsel;

m. Placing H&K's interest in avoiding responsibility ahead of Plaintiffs' interests; and

n. Withholding or avoiding defenses and mitigation strategies that would have required H&K to place its own malpractice at issue.

187. The Defendants' conduct was outrageous and demonstrated a reckless indifference to the rights of Plaintiffs.

188. As a direct and proximate result of such breaches, Plaintiffs have suffered and continue to suffer damages for which the Defendants are liable, jointly and severally.

189. Because Defendants' breach of fiduciary duty infected the representation and caused Plaintiffs to pay for conflicted and defective legal services, Plaintiffs also seek forfeiture and disgorgement of fees paid to H&K for the defective and conflicted representation, including fees paid while H&K defended its own prior advice without disclosing the conflict or obtaining a waiver.

WHEREFORE, Plaintiffs demand judgment against Defendants, Holland & Knight, LLP, Jesús E. Cuza, Rebecca Cañamero, and J. Raul Cosio for an amount exceeding $300 million and up to $1.2 billion; and for such other and further relief, in law or in equity, to which Plaintiffs may be justly entitled.

COUNT III
NEGLIGENT SELECTION OF LOCAL COUNSEL
(Plaintiffs v. Holland & Knight)

190. Plaintiffs re-allege and incorporate paragraphs 1 to 169 as if set forth verbatim herein.

191. In states where H&K used local counsel, H&K owed Plaintiffs a duty to select and supervise counsel with the specialized expertise required for the assignment, including consumer-protection, real-estate regulatory, recording-law, and Attorney General enforcement expertise.

192. H&K breached that duty by selecting and relying on local counsel that lacked the necessary expertise, by failing to supervise that counsel adequately, and by using that deficient advice as part of the legal foundation for MV's state-specific HBA Program Documents and Practices.

193. H&K's negligent selection and supervision of local counsel was not a superseding cause of Plaintiffs' harm. It was part of H&K's own malpractice because H&K selected the counsel, defined the assignment, supervised or relied on the work, and used that advice to continue approving the HBA Program Documents and Practices.

194. As a result of H&K's breach, Plaintiffs have suffered and continue to suffer damages for which H&K is liable.

WHEREFORE, Plaintiffs demand judgment against Defendant, Holland & Knight, LLP, for an amount exceeding $300 million and up to $1.2 billion; and for such other and further relief, in law or in equity, to which Plaintiffs may be justly entitled.

COUNT IV
NEGLIGENCE/PROFESSIONAL MALPRACTICE
Grossly Negligent Failure to Disclose Litigation Conflict and Litigation Malpractice
(Plaintiffs v. Holland & Knight, Cuza, Cañamero, and Cosio)

195. Plaintiffs re-allege and incorporate paragraphs 1 to 169 as if set forth verbatim herein.

196. The litigation advice and services Plaintiffs sought were within what the Defendants professed to be in their professional competence and area of specialty.

197. The Defendants expressly agreed to provide litigation, pre-litigation, and settlement advice and services to Plaintiffs in connection with defending against the Attorneys General actions and threatened actions.

198. Plaintiffs reasonably believed that the Defendants were representing them in connection with providing the aforementioned legal advice and services.

199. By virtue of the above, an express attorney-client relationship existed between Plaintiffs and the Defendants.

200. The Defendants further rendered legal advice and services to Plaintiffs outside of the terms of the Engagement Letter.

201. In addition, and in the alternative, an implied attorney-client relationship existed between Plaintiffs and the Defendants.

202. By virtue of the attorney-client relationship, the Defendants had a duty to Plaintiffs to exercise ordinary skill and knowledge consistent with the applicable standard of care for attorneys licensed in Florida and practicing in the consumer protection litigation, state Attorneys General litigation, and real estate litigation fields of law.

203. As more fully set forth above, the Defendants breached the duty owed to Plaintiffs by continuing to represent MV and the individual plaintiffs after H&K's own work became a central subject of the Attorney General investigations and lawsuits; by failing to disclose that conflict; by failing to obtain informed written consent or a waiver; by failing to advise Plaintiffs to obtain independent counsel; by failing to advise Plaintiffs of advice-of-counsel, reliance, mitigation, settlement, remediation, and disclosure strategies that would have advanced Plaintiffs' interests; by failing to advise Plaintiffs that reliance on H&K's advice was central to contesting willfulness and individual civil penalties under FDUTPA and similar state consumer-protection laws; and by defending H&K's prior advice and documents instead of providing conflict-free advice focused solely on Plaintiffs' interests.

204. As a direct and proximate result of those breaches, Plaintiffs lost the opportunity to confront H&K's advice earlier, assert reliance on H&K earlier, mitigate earlier, negotiate earlier, address recorded instruments earlier, revise disclosures earlier, protect the individual plaintiffs earlier, and avoid or reduce adverse rulings, settlements, license consequences, defense costs, restitution, penalties, fines, and reputational harm.

205. The Defendants recklessly failed to consult with their own partners with expertise in the fields of consumer protection, State Attorneys General practice, and real estate law, in violation of R. Regulating Fla. Bar 4-1.1.

206. The Defendants' conduct was outrageous and demonstrated a reckless indifference to the rights of Plaintiffs.

207. As a direct and proximate result of the Defendants' breach of duties, Plaintiffs have suffered and continue to suffer damages as fully set forth herein for which Defendants are liable.

208. As a direct and proximate result of the Defendants' breach of duties, Plaintiffs have incurred substantial legal fees and expenses that they would not otherwise have had to expend.

WHEREFORE, Plaintiffs demand judgment against Defendants, Holland & Knight, LLP, Jesús E. Cuza, Rebecca Cañamero, and J. Raul Cosio for an amount exceeding $400 million and up to $1.2 billion; and for such other and further relief, in law or in equity, to which Plaintiffs may be justly entitled.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury on all issues.

Dated this 21st day of July, 2026.

Respectfully submitted,

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