

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF FLORIDA  
WEST PALM BEACH DIVISION**

IN RE:	CASE NO. 23-17590-EPK
MV REALTY PBC, LLC <i>et al.</i> ,	CHAPTER 11
Debtors.	(Jointly Administered)

**DEBTORS' LIMITED OBJECTION  
TO UNITED STATES TRUSTEE'S MOTION TO EXTEND  
BAR DATE FOR CREDITORS TO FILE PROOFS OF CLAIM**

The Debtors<sup>1</sup>, by and through their undersigned counsel, file this *Limited Objection to United States Trustee's Motion to Extend Bar Date for Creditors to File Proofs of Claim* (the "Response"), and in support thereof, state as follows:

**BACKGROUND**

1. On September 22, 2023 (the "Petition Date"), the Debtors each filed a voluntary petition under Chapter 11 of Title 11 of the United States Code. The Chapter 11 cases are being jointly administered under lead case *In re: MV Realty PBC, LLC, Case No. 23-17590-EPK*.

2. The Debtors are in possession of their assets and operating their businesses as debtors-in-possession pursuant to the authority of 11 U.S.C. §§ 1107 and 1108.

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<sup>1</sup> The last four digits of the Debtors' federal tax identification numbers are: *MV Realty, PBC LLC* (6755), *MV Realty Holdings, LLC* (3483), *MV Receivables II, LLC* (9368), *MV Receivables III, LLC*, *MV Realty PBC, LLC (Pennsylvania)* (7301), *MV Realty of South Carolina, LLC* (7322), *MV Realty of North Carolina, LLC* (3258), *MV of Massachusetts, LLC* (0864), *MV Realty of Illinois, LLC* (8814), *MV Realty of Arizona, LLC* (2725), *MV Realty of Connecticut, LLC* (8646), *MV Realty PBC, LLC (Georgia)* (6796), *MV Realty of New Jersey, LLC* (5008), *MV Realty of Washington, LLC* (7621), *MV Realty of Maryland, LLC* (9945), *MV Realty of Virginia, LLC* (2129), *MV Realty of Tennessee, LLC* (7701), *MV Realty of Wisconsin, LLC* (2683), *MV Realty of Nevada, LLC* (0799), *MV Realty of Oregon, LLC* (3046), *MV Realty of Utah, LLC* (4543), *MV Realty of Minnesota, LLC* (1678), *MV Realty of Indiana, LLC* (3566), *MV Realty of Missouri, LLC* (6503), *MV Homes of New York, LLC* (2727), *MV Realty of Idaho, LLC* (8185), *MV Realty of Alabama, LLC* (6462), *MV Realty of Colorado, LLC* (1176), *MV Realty of Oklahoma, LLC* (8174), *MV Realty of Louisiana, LLC* (3120), *MV Realty of Kansas, LLC* (2304), *MV Realty of Kentucky, LLC* (2302), *MV Realty of California* (7499), *MV Realty of Texas, LLC* (7182), *MV Realty of Michigan, LLC* (5280) and *MV Realty of Ohio, LLC* (0728).

3. As the Court is aware, the Debtors, and specifically the “MV Realty Subsidiaries” wholly owned by MV Realty PBC, LLC, are parties to “Homeowner Benefit Agreements” (“HBAs”) with residential homeowners (“HBA Parties”).

**A. *The Notice of Commencement and Proof of Claim***

4. On September 26, 2023, the Debtors filed their *Emergency Motion to Approve Form of Notice of Commencement and Proof of Claim* [ECF No. 21] (the “NOC POC Motion”). Thereafter, on October 2, 2023, the Court issued the *Order Granting Debtors’ Emergency Motion to Approve Form of Notice of Commencement and Proof of Claim* [ECF No. 47] (the “NOC POC Order”), pursuant to which the Court granted the NOC POC Motion.

5. On October 11, 2023, the Clerk of the Court docketed (a) the “Notice of Chapter 11 Case” [ECF No. 78] (the “Notice of Commencement”), which provided a deadline of December 1, 2023, for filing proofs of claims by persons other than governmental entities (the “Claims Bar Date”), and a deadline of March 20, 2024, for filing proofs of claims by governmental entities, and (b) the proof of claim form [ECF No. 79] (the “Proof of Claim”).

6. The forms of Notice of Commencement and Proof of Claim were ultimately prepared and finalized in consultation with the United States Trustee and the Clerk of the Court.

**B. *Service of the Notice of Commencement and Proof of Claim***

7. The NOC POC Order, the proposed form of which was provided to the United States Trustee for comment before being submitted to the Court, provided, in part, that the Notice of Commencement and Proof of Claim must be served within ten (10) business days following entry of the NOC POC Order. *See* ECF No. 77, at p.4, ¶8. Accordingly, the Notice of Commencement and Proof of Claim had to be served no later than October 16, 2023.

8. On October 13, 2023, Epiq Corporate Restructuring, LLC (“Epiq”), the claims and notice agent authorized and appointed to serve in the case, served copies of the Notice of Commencement and Proof of Claim, including on all known HBA Parties, which totaled approximately 34,000 persons. Epiq also included a notice advising HBA Parties of the website created by Epiq (<https://dm.epiq11.com/MVRealty>) (the “Case Website”).

9. In addition to establishing the Case Website, Epiq created a hotline (the “Hotline”) for the purpose of answering any general questions regarding the case, including, without limitation, information on how to file proofs of claim in the case.

10. The Notice of Commencement, Proof of Claim, and the Case Website inform parties, including, without limitation, HBA Parties, how to file proofs of claim in the case, including electronically.

11. Although HBA Parties were served with the Notice of Commencement and Proof of Claim, former parties to HBAs were not served, since commissions or other amounts, including termination fees, had already been paid and no further obligations under the HBAs exist. The Debtors believe there are 2,840 former HBA Parties, who either paid commissions or other amounts, including termination fees, to the Debtors.

**C. Local Rule 3003-1(a)**

12. As correctly noted by the United States Trustee, Local Rule 3003-1(a) provides that creditors shall have seventy (70) days from the petition date to file proofs of claims.<sup>2</sup>

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<sup>2</sup>In reviewing the claims filed in the case, it appears that HBA Parties have filed approximately 113 claims. This number represents approximately .0032% of the estimated number of active HBAs (34,000) and is representative of the number of supporting declarations or affidavits presented by the Defendants in Adversary No. 23-01211-EPK. On November 15, 2023, the Debtors filed their *Amended Motion for Preliminary Injunction* (Adv. ECF No. 42) (the “Amended PI Motion”). In paragraph 32 of the Amended PI Motion, the Debtors include a chart disclosing the number of supporting sworn declarations or affidavits filed by the states in support of their respective complaints (the “PI Chart”). As noted in the PI Chart, the states presented 54 sworn declarations or affidavits out of approximately 14,129 HBAs active

### **THE MOTION**

13. On November 22, 2023, the United States Trustee filed the *Motion to Extend Bar Date for Creditors to File Proofs of Claim* [ECF No. 263] (the “UST Motion”), in which the United States Trustee requests an extension of the Claims Bar Date for a period sixty (60) days for *all* creditors, including creditors and HBA Parties who were already served with the Notice of Commencement and Proof of Claim and, therefore, provided notice of the Claims Bar Date.

### **THE LIMITED OBJECTION**

14. In reviewing the UST Motion, the Debtors have no issue in extending the Claims Bar Date to February 1, 2024, but solely for the benefit of any creditor or former HBA Parties who were not previously provided with notice of the Claims Bar Date. Again, this amounts to approximately 2,840 parties.

15. Therefore, the Debtors object to and oppose any extension of the Claims Bar Date for the benefit of any other creditor, including, without limitation, HBA Parties, who were previously provided with Notice of Commencement and Proof of Claim.

16. The relief requested with respect to the latter category of HBA Parties is highly prejudicial to the Debtors and the estate, since the estate would have to bear the costs associated with service of the extended Claims Bar Date on approximately 34,000 parties. Postage alone, at \$.63, would exceed \$21,000.00.

17. Aside from the additional costs, Rule 3003 of the Federal Rules of Bankruptcy Procedure provides that the Court may, for cause, extend the time fixed for creditors to file proofs of claim.

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in those states, which the Debtors estimate as being .0038%. Notwithstanding the foregoing, the Debtors reserve the right to reconcile the actual amount.

18. Here, there is no cause to support an extension of the Claims Bar Date for those parties already provided with notice of the Claims Bar Date. It is pure and unsubstantiated speculation that HBA Parties will be prejudiced if the Claims Bar Date is not extended.

19. The Claims Bar Deadline was provided by the Clerk of the Court, and the forms of Notice of Commencement and Proof of Claim were finalized in consultation with the United States Trustee and the Clerk of the Court.

20. Moreover, the Notice of Commencement (and notice of the Claims Bar Date) was provided in accordance with the NOC POC Order and Local Rule 3003-1(a). Again, copies of the Notice of Commencement and Proof of Claim were served on October 13, 2023, which affords creditors until December 1, 2023 (or seventy (70) days following the Petition Date), to file proofs of claim.

21. Consequently, there is simply no cause to support extending the Claims Bar Date to those creditors, including HBA Parties, who were timely served with the Notice of Commencement and Proof of Claim in accordance with the NOC POC Order, which number totals approximately 34,000 parties.

**WHEREFORE,** the Debtors respectfully request that the Court sustain this Limited Objection, and enter order granting the Motion, in part, and providing an extended Claims Bar Date for those parties, including HBA Parties, who were not previously provided with the Notice

of Commencement and Proof of Claim, as well as granting any other and further relief that the Court may deem just and proper.

**RESPECTFULLY SUBMITTED** this 27<sup>th</sup> day of November 2023.

***I HEREBY CERTIFY** that I am admitted to the Bar of the United States District Court for the Southern District of Florida, and I am in compliance with the additional qualifications to practice in this Court set forth in Local Rule 2090-1(A).*

**SEESE, P.A.**  
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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing Omnibus Response has been served electronically *via* CM/ECF upon all parties entitled to receive electronic notice on the date filed.

*/s/ Michael D. Seese, Esq.*  
Michael D. Seese  
(FBN 997323)