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**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

**METROPOLITAN VALUATION
SERVICES, INC.,**

Plaintiff,

-v-

**DOUGLAS GEDDES and BROADVIEW
VALUATION SERVICES, INC.,**

Defendants.

Index No.

VERIFIED COMPLAINT

Plaintiff Metropolitan Valuation Services, Inc., by its attorneys, Kaufmann Gildin & Robbins LLC, respectfully alleges as follows:

NATURE OF THE ACTION

1. This is an action arising out of the diversion of business by plaintiff's former employee and his newly formed entity, during the term of his employment and thereafter, and defendants' improper use of plaintiff's resources and property to compete with plaintiff.

2. While employed by plaintiff, the individual defendant secretly incorporated a new business entity, systematically used plaintiff's resources and property for the benefit of his new entity and solicited and obtained contracts from at least one of plaintiff's long-time clients, causing plaintiff to sustain substantial damages and loss of business from the diverted client(s).

3. As a result of defendants' wrongful conduct, plaintiff seeks compensatory and punitive damages and injunctive relief.

THE PARTIES

4. Plaintiff Metropolitan Valuation Services, Inc. ("MVS") is a corporation organized and existing under the laws of the State of New York, with its principal place of business at 44 E.32nd Street, 11th Floor, New York, NY 10016.

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5. Defendant Douglas Geddes (“Geddes”) is an individual residing at 103 Locust Ridge, Cross River, NY 10518.

6. Defendant Broadview Valuation Services, Inc. (“Broadview”) is a corporation organized and existing under the laws of the State of New York, with its principal place of business at 292 Katonah Avenue, Suite 369, Katonah, New York 10536.

7. Upon information and belief, Geddes is an officer, director and principal shareholder of Broadview.

JURISDICTION AND VENUE

8. This Court has jurisdiction over this action and Defendants pursuant to CPLR 301 and 302(a) because Plaintiff and Defendants transact business within the State of New York, are residents of New York and maintain principal places of business in New York.

9. The Court has subject matter jurisdiction because the damages set forth herein exceed the limits of the lower courts and Plaintiff seeks injunctive relief.

10. Venue is proper in New York County pursuant to CPLR 503 because New York County is where Plaintiff and Defendants conduct business and where the parties engaged in business transactions.

ALLEGATIONS COMMON TO ALL CLAIMS

11. MVS is the largest independent commercial property appraisal and consulting practice for lenders and owners in the New York Metro market.

12. MVS offers its clients a full range of real estate valuation services, including appraisals, feasibility studies, highest and best use analyses, market studies, and appraisal review for the metropolitan New York region and surrounding areas.

13. In addition to having expertise in the valuation of office, industrial and multifamily

properties, MVS offers its clients specialized valuation services including appraisals in support of affordable housing, senior housing and nursing homes; HUD programs; Freddie Mac and Fannie Mae compliant reports; and, appraisal review.

14. With an appraisal staff of 20, including numerous designated members of the Appraisal Institute (“MAI”), MVS completes approximately 1,600 appraisal assignments every year, ranging from small apartment buildings and industrial properties to major office buildings and sprawling multifamily developments. MVS subscribes at great expense to nearly every proprietary data source and maintains an extensive database of real estate information for its employees’ use when preparing appraisal reports for its clients.

15. MVS’ proprietary data includes over 17 years of longitudinal market data information sourced from client-provided property details; a library of base appraisal document templates; and market commentary and research specifically conducted for its appraisal and consulting assignments.

16. The subscription services subscribed to by MVS include Costar, GenPAD Real Capital Analytics, Nancy Packs Data Services, STDB, State Information Services, Marshall Valuation Services, Property Shark, ESRI, and other sources providing specific public/private data and research on property sales and rentals, markets/sub-markets, buyers and sellers, brokerage activity, property profiles, mortgage/lending activity, zoning, violations of record, certificates of occupancy, permit and construction status, aggregations of property information for supply/demand analysis, demographic and census data, property income and expense profiles, construction costs, floor plans, plat maps and other support for the conducting of the appraisal and consulting practice.

17. Defendant Geddes was employed as a real estate appraiser by MVS from on or about April 4, 2005 to June 24, 2020, at which time his employment was terminated by MVS.

18. During his employment, Geddes had access to and regularly utilized MVS’ subscriptions,

database, resources and other confidential information and property when performing his duties for MVS (*i.e.*, preparing real estate appraisal reports and communicating with clients in connection therewith).

19. During Geddes' employment, MVS paid for Geddes' appraisal licenses; continuing education in support of required licensing and appraisal Institute credential maintenance; reimbursable assignment-related expenses; disability insurance premiums; and employer-based payroll and 401k expenses.

20. By reason of his status of an employee of MVS, Geddes owed MVS a fiduciary duty and duty of loyalty to avoid self-dealing at MVS' expense and to avoid diverting to his own use and benefit any of the corporate opportunities and profits rightfully belonging to MVS.

21. Between April 2005 and his termination, Geddes prepared and delivered to MVS clients more than 700 appraisal reports, all prepared using MVS' extensive database of real estate information, base report templates and subscription data and other confidential and proprietary data.

22. In approximately July 2017, Geddes expressed his desire to decrease the level of his professional activity at MVS, stating that he wanted to devote more of his professional time to the management of his personal real estate investments. MVS agreed to Geddes' request, and the parties mutually agreed that his \$80,000 annualized draw would be suspended and that he would be paid only for work performed as a commissioned employee but without a draw against the commission earnings. For his and MVS' convenience, Geddes was permitted to maintain his windowed office.

23. Geddes accepted 19 appraisal assignments from August 2017 through December 2017; accepted 31 appraisal assignments from January 2018 through December 2018; accepted 9 appraisal assignments from January 2019 through December 2019; and, accepted 10 appraisal assignments from January 2020 through June 2020. Geddes was paid for these 69 assignments by MVS at his

45% commission rate, in the total amount of \$200,990.

24. Since the start of his employment until the termination of his employment in June 2020, Geddes had complete and unfettered access to MVS' extensive database of real estate information, subscription data and other confidential and proprietary data.

25. Since the start of employment until the termination of his employment in June 2020, Geddes continued to represent himself as an employee of MVS, including through the use of his "mvsappraisal.com" email address, his LinkedIn professional social media page and his professional profile on the Appraisal Institute website.

26. Commencing in or about April 2018, Geddes, in breach of his fiduciary duty and duty of loyalty to MVS, commenced a scheme to divert corporate opportunities, assets and profits from MVS to Geddes or others affiliated with him.

27. In August 2018, Geddes secretly formed Broadview and continued to offer identical real estate appraisal and related services under the Broadview name and entity, including the solicitation of certain of MVS's current and prospective customers.

28. Upon information and belief, Geddes formed Broadview for the sole purpose of transacting a business of the exact type transacted by MVS using MVS' resources.

29. Upon information and belief, Geddes has diverted at least one MVS client to Broadview which is now a Broadview client.

30. In June, 2020, MVS learned from one of its long-standing clients that Geddes had solicited the client and obtained approximately twenty (20) real estate appraisal assignments from this client since April 2018, all of which were offered and provided by Geddes under the Broadview name. Geddes signed these reports as President of Broadview using MVS's resources, including its proprietary appraisal template and, upon information and belief, earned in excess of \$170,000 from

his delivery of these reports to MVS' long-standing client.

31. Upon information and belief, Geddes has solicited other MVS clients and has prepared and delivered appraisal reports under the Broadview name to other MVS clients and others.

32. The appraisal reports issued by Geddes under the Broadview name were created using MVS' extensive database of real estate information, subscription data and other confidential and proprietary data.

33. The appraisal reports issued by Geddes under the Broadview name contain MVS' confidential and proprietary information, format, text, structure, research, subscription service citations, and other work product, so that they are virtual copies of the MVS appraisal reports previously prepared by Geddes as an MVS employee and/or other MVS employees.

34. Upon information and belief, Broadview and Geddes have received and will continue to receive large sums of money and profits, the exact amount of which is presently unknown to the plaintiff, and which monies and profits are lawfully the property of MVS.

35. The acts of defendants were willful and malicious.

36. MVS has no adequate remedy at law.

**FIRST CAUSE OF ACTION
AGAINST GEDDES
(Waste, Misappropriation of Corporate Opportunity,
Breach of Fiduciary Duty and Breach of Duty of Loyalty)**

37. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

38. At all relevant times, Geddes was an employee of MVS.

39. At all relevant times, Geddes owed MVS a fiduciary duty to perform his duties skillfully, loyally, faithfully, diligently, prudently, honestly, and carefully as an employee.

40. At all relevant times, Geddes owed MVS a duty of loyalty to perform his duties skillfully,

loyally, faithfully, diligently, prudently, honestly, and carefully as an employee.

41. Geddes has appropriated MVS's corporate assets to his own use and/or to the use of Broadview; used corporate property, resources and other property for his personal benefit and advantage or to the benefit and advantage of entities in which he has personal or financial interest, such as Broadview; misapplied and wasted corporate assets; has diverted corporate opportunities from MVS to his personal benefit and advantage or to the benefit and advantage of entities in which he has personal or financial interest, such as Broadview; and, has knowingly acted outside of the scope of his authority to the financial loss and detriment of MVS and its shareholders.

42. Geddes' conduct, as alleged herein, constitutes waste, misuse and misappropriation of MVS's assets; misappropriation of MVS's corporate opportunities; breach of his fiduciary duty to MVS and its shareholders; and, breach of his duty of loyalty to MVS and its shareholders.

43. As a result of Geddes' waste, misuse and misappropriation of MVS's corporate opportunities and assets, MVS has suffered damages in an amount to be proven at trial.

44. As a result of Geddes' breach of his fiduciary duty and duty of loyalty, MVS has suffered damages in an amount to be proven at trial.

**SECOND CAUSE OF ACTION
AGAINST GEDDES
(Faithless Servant Doctrine)**

45. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

46. By virtue of the conduct set forth above, MVS is entitled to disgorgement of Geddes' compensation earned by him as a result of his breach of the duty of loyalty and breach of fiduciary duty under New York's faithless servant doctrine.

47. MVS has suffered damages in an amount to be proven at trial.

**THIRD CAUSE OF ACTION
AGAINST GEDDES AND BROADVIEW
(Demand for Accounting)**

48. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

49. Plaintiff hereby demands an accounting of Broadview and Geddes.

**FOURTH CAUSE OF ACTION
AGAINST GEDDES AND BROADVIEW
(Unjust Enrichment)**

50. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

51. By virtue of the conduct set forth above, Geddes and Broadview have been improperly and unjustly enriched at MVS's expense.

52. MVS has suffered damages in an amount to be proven at trial.

53. As a result of the foregoing, MVS is entitled to the imposition of a constructive trust over the improperly diverted assets in the possession, custody or control of Geddes and Broadview.

**FIFTH CAUSE OF ACTION
AGAINST GEDDES AND BROADVIEW
(Unfair Competition)**

54. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

55. By virtue of the conduct set forth above, Defendants misappropriated, in bad faith, the assets, skills, labors, expenditures and commercial advantage of MVS to their own benefit.

56. As a result, MVS has suffered damages in an amount to be proven at trial.

**SIXTH CAUSE OF ACTION
AGAINST GEDDES AND BROADVIEW
(Money Had and Received)**

57. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

58. By virtue of the conduct set forth above, Defendants have received money belonging to MVS and benefitted from that money.

59. Equity and good conscience will not permit Defendants to keep the money had and received.

60. As a result, MVS has suffered damages in an amount to be proven at trial.

**SEVENTH CAUSE OF ACTION
AGAINST GEDDES AND BROADVIEW
(Tortious Interference with Prospective Economic Relationships)**

61. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

62. At all relevant times, MVS maintained regular business relationships with its clients, the majority of which provided MVS with a steady stream of appraisal and other assignments.

63. Defendants, with knowledge of MVS' relationships with its clients, intentionally interfered with those relationships through their solicitation of them to do business with Broadview rather than MVS.

64. Defendants interfered with MVS's relationships with its clients using dishonest, unfair, or improper means.

65. As a result of Defendants interference, MVS' relationships with its clients were injured.

66. As a result, MVS has suffered damages in an amount to be proven at trial.

**EIGHTH CAUSE OF ACTION
AGAINST BROADVIEW
(Aiding and Abetting Breach of Fiduciary Duty)**

67. Plaintiff repeats, reiterates and realleges each and every allegation set forth in

paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

68. Broadview knowingly participated in Geddes' breach of fiduciary duty through its provision of substantial assistance to, and acquiescence in, Geddes' wrongful conduct.

69. As a result, MVS has suffered damages in an amount to be proven at trial.

**NINTH CAUSE OF ACTION
AGAINST GEDDES AND BROADVIEW
(Injunctive Relief)**

70. Plaintiff repeats, reiterates and realleges each and every allegation set forth in paragraphs 1 – 36 above, with the same force and effect as if fully set forth herein.

71. Plaintiff will suffer irreparable harm if a temporary restraining order and preliminary injunction is not issued enjoining and restraining the Defendants from continuing the aforesaid conduct and continuing to convert and divert MVS's property to Defendants.

72. Absent such relief, Plaintiff will be irreparably harmed.

73. Plaintiff has a likelihood of succeeding on the merits of its underlying claims against Defendants for breach of duty of loyalty, conversion, misappropriation, tortious interference of business relationships, an accounting, and its other claims.

74. By virtue of the foregoing, Plaintiff is entitled to injunctive relief against Defendants.

WHEREFORE, Plaintiff Metropolitan Valuation Services, Inc. demands judgment as follows:

- a. Awarding MVS compensatory damages in an amount to be proven at trial, but not less than \$1,000,000;
- b. Awarding MVS punitive damages in an amount to be proven at trial, but not less than \$5,000,000;
- c. Compelling Defendants Douglas Geddes and Broadview Valuation Services, Inc. to account to plaintiff for all profits and monies received by Geddes and Broadview as alleged herein and that defendants pay over to MVS all profits and monies found due on such accounting, together with interest thereon, attorneys' fees and punitive damages in an amount to be determined by the Court;

- d. Preliminarily and permanently enjoining Defendants from using MVS' extensive database of real estate information and subscription data and other confidential and proprietary data.
- e. Imposing a constructive trust for the benefit of MVS over all improperly diverted assets in the possession, custody or control of Defendants; and
- f. Awarding such other and further relief as plaintiff may be entitled, including interest, reasonable attorneys' fees, costs and disbursements and such other and further relief as the Court may deem just and equitable.

Dated: New York, New York
July 10, 2020

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