

No 'Home Sweet Home' for KB Home Customers

Posted by Steve Berman on Mar. 11, 2009

Former KB Home CEO Bruce Karatz and Martha Stewart don't seem like they have much in common aside from company's partnership that features Martha inspired designs in various KB Home communities.

Unfortunately for Bruce - he may share more in common with Martha in coming days. Similar to the plight of the domestic goddess, the former CEO of KB Home may soon add jail time to his public resume. Karatz faces 415 years of potential jail time after an indictment last week for allegedly obstructing justice and fudging financial statements to the SEC.

To add to the KB Home drama, this week our firm announced an investigation into KB Home on behalf of homeowners. We believe KB Home worked with Countrywide to significantly overcharge customers through inflated appraisals.

We've heard that KB Home had secret agreements with Countrywide Mortgage and its appraiser, LandSafe, to inflate the appraisal value of KB Homes' houses to increase profits for the homebuilder. According to some reports, this alleged scheme caused homeowners to pay inflated home prices, in some cases \$50,000 or more than the home's actual value.

In this fragile economy, we think the idea of home and lending companies conspiring behind closed doors is reprehensible. We strongly believe that as advocates for victims of fraud, we must continue to be vigilant, and hold those who prey upon consumers accountable.

Hagens Berman Sobol Shapiro is interested in hearing from homeowners who believe they may have overpaid for their KB Home. Currently KB Home operates in the following states: California, Nevada, Arizona, Colorado, New Mexico, Texas, Louisiana, Florida, Georgia, South Carolina, North Carolina, Illinois and Wisconsin.

If you bought a KB Home and feel that you may have overpaid, we would like to hear your story. You can e-mail your information to kbhomes@hbsslaw.com or [click here](#).

We will update our Web site and blog as the investigation progresses.