

**STATE OF MINNESOTA**  
**COUNTY OF OLNSTED**

**DISTRICT COURT**  
**THIRD JUDICIAL DISTRICT**  
**CASE TYPE: OTHER CIVIL**

HOME Line, Iris Bautista, Laura Hamersma,  
Sara Kolstad, Jonah Aquino, Jemicia Mitchell,  
Hannah Hekel, Antwan Loving, Kiona Adams,  
Corey Dahl, Marsha Loving, and Heavenle'  
McDonald.

Plaintiffs,

v.

Monarch Investment and Management Group,  
LLC; Monarch Management, Inc.; MIMG  
XXXVIII Stone Grove, LLC; MIMG CII Les  
Chateaux, LLC; MIMG CXXXVII Gates of  
Rochester, LLC; MIMG XLVIII City Limits,  
LLC; MIMG XXXII Eden Park, LLC; MIMG  
CLI Upper Town, LLC; MIMG CXLIII  
Fountains in the Park, LLC; CMC 1 Meadows  
of Coon Rapids, LLC; MIMG CLXXXV  
Winchester Sub LLC; MIMG CLXXXV  
Heritage Manor Sub LLC; MIMG CLXXXV  
Crystal Bay Sub LLC; MIMG CLXXXIV  
Brooklyn 2 Master, LLC; MIMG CLXXXIV  
Sterling Square Sub LLC, MIMG CLXXXIV  
French Creek Sub LLC; MIMG CLXXXV  
Olympik Village Sub LLC; MIMG CLXXXIV  
W Broadway Sub; and Cornerstone Monarch  
Capital, LLC.

Defendants.

Case No.: 55-CV-22-1874

**AMENDED SUMMONS**

**THIS SUMMONS IS DIRECTED TO THE DEFENDANTS NAMED ABOVE.**

1. **YOU ARE BEING SUED.** The Plaintiffs have started a lawsuit against you. The Plaintiffs' Complaint against you is attached to this Summons. Do not throw these papers away. They are official papers that affect your rights. You must respond to this lawsuit even though it may not yet be filed with the Court and there may be no court file number on this Summons.

2. **YOU MUST REPLY WITHIN 21 DAYS TO PROTECT YOUR RIGHTS.** You must give or mail to the person who signed this Summons a written response called an Answer within 21 days of the date on which you received this Summons. You must send a copy of your Answer to the person who signed this Summons located at:

Marc Simpson, Esq.  
Andrew Glasnovich, Esq.  
Kathryn Bjorklund, Esq.  
**STINSON LLP**  
50 South Sixth Street, Suite 2600  
Minneapolis, Minnesota 55402  
Telephone: (612) 335-1500  
Facsimile: (612) 335-1657

3. **YOU MUST RESPOND TO EACH CLAIM.** The Answer is your written response to the Plaintiffs' Complaint. In your Answer you must state whether you agree or disagree with each paragraph of the Complaint. If you believe the Plaintiffs should not be given everything asked for in the Complaint, you must say so in your Answer.

4. **YOU WILL LOSE YOUR CASE IF YOU DO NOT SEND A WRITTEN RESPONSE TO THE COMPLAINT TO THE PERSON WHO SIGNED THIS SUMMONS.** If you do not answer within 21 days, you will lose this case. You will not get to tell your side of the story, and the Court may decide against you and award the Plaintiffs everything asked for in the Complaint. If you do not want to contest the claims stated in the Complaint, you do not need to respond. A default judgment can then be entered against you for the relief requested in the Complaint.

5. **LEGAL ASSISTANCE.** You may wish to get legal help from a lawyer. If you do not have a lawyer, the Court Administrator may have information about places where you can get legal assistance. **Even if you cannot get legal help, you must still provide a written Answer to protect your rights or you may lose the case.**

6. **ALTERNATIVE DISPUTE RESOLUTION.** The parties may agree to or be ordered to participate in an alternative dispute resolution process under Rule 114 of the Minnesota General Rules of Practice. You must still send your written response to the Complaint even if you expect to use alternative means of resolving this dispute.

May 4, 2022

**STINSON LLP**

By: /s/ Andrew J. Glasnovich  
Marc Simpson (#0183301)  
Andrew Glasnovich (#0398366)  
Kathryn Bjorklund (#0400798)  
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HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald.

Plaintiffs,

v.

Monarch Investment and Management Group, LLC; Monarch Management, Inc.; MIMG XXXVIII Stone Grove, LLC; MIMG CII Les Chateaux, LLC; MIMG CXXXVII Gates of Rochester, LLC; MIMG XLVIII City Limits, LLC; MIMG XXXII Eden Park, LLC; MIMG CLI Upper Town, LLC; MIMG CXLIII Fountains in the Park, LLC; CMC 1 Meadows of Coon Rapids, LLC; MIMG CLXXXV Winchester Sub LLC; MIMG CLXXXV Heritage Manor Sub LLC; MIMG CLXXXV Crystal Bay Sub LLC; MIMG CLXXXIV Brooklyn 2 Master, LLC; MIMG CLXXXIV Sterling Square Sub LLC, MIMG CLXXXIV French Creek Sub LLC; MIMG CLXXXV Olympik Village Sub LLC; MIMG CLXXXIV W Broadway Sub; and Cornerstone Monarch Capital, LLC,

Defendants.

Case No.: 55-CV-22-1874

**AMENDED COMPLAINT**

HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald ("Plaintiffs") as and for their Amended Complaint against defendants Monarch Investment and Management Group, LLC; Monarch Management, Inc.; MIMG XXXVIII Stone Grove, LLC; MIMG CII Les Chateaux, LLC; MIMG CXXXVII Gates of

Rochester, LLC; MIMG XLVIII City Limits, LLC; MIMG XXXII Eden Park, LLC; MIMG CLI Upper Town, LLC; MIMG CXLIII Fountains in the Park, LLC; CMC 1 Meadows of Coon Rapids, LLC; MIMG CLXXXV Winchester Sub LLC; MIMG CLXXXV Heritage Manor Sub LLC; MIMG CLXXXV Crystal Bay Sub LLC; MIMG CLXXXIV Brooklyn 2 Master, LLC; MIMG CLXXXIV Sterling Square Sub LLC, MIMG CLXXXV French Creek Sub LLC; MIMG CLXXXV Olympik Village Sub LLC; MIMG CLXXIV W Broadway Sub; and Cornerstone Monarch Capital, LLC (collectively, the defendants are “**MIMG**”), state and allege as follows:

### **INTRODUCTION**

This lawsuit is filed to stop one of the largest multifamily apartment owners in Minnesota—MIMG—from continuing to exploit their Minnesota tenants by charging illegal utility costs and using deceptive and confusing leases to impose excessive fees and deprive tenants of their statutory habitability rights. This lawsuit seeks monetary damages for the named Plaintiffs and equitable relief that puts a halt to these illegal rental practices.

### **PARTIES, JURISDICTION, AND VENUE**

1. HOME Line is a Minnesota nonprofit organized for the purpose of providing legal, organization, education, and advocacy services to tenants throughout Minnesota. Its principal place of business is located at 8011 34th Ave. S., Suite 126, Bloomington, MN 55425.

2. Iris Bautista is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. She resided in Apartment J03, 2015 41st St. NW, Rochester, MN 55901.

3. Laura Hamersma is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. She resided in Apartment L03, 2015 41st St. NW, Rochester, MN 55901.

4. Sara Kolstad is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. She resided in Apartment E17, 2015 41st Street NW, Rochester, MN 55901.

5. Jonah Aquino is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. He resided in Apartment H08 2015 41st Street NW, Rochester, MN 55901.

6. Jemicia Mitchell is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. She resided in Apartment C16 2015 41st Street NW, Rochester, MN 55901.

7. Hannah Hekel is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. She resided in Apartment C17, 2015 41st Street NW, Rochester, MN 55901.

8. Antwan Loving is a former resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. He resided in Apartment H26 2015 41st Street NW, Rochester, MN 55901.

9. Kiona Adams is a current resident of MIMG CXXXVII Gates of Rochester, LLC, a property owned and operated by MIMG. She resides in Apartment G34 2015 41st Street NW, Rochester, MN 55901.

10. Corey Dahl is a current resident of MIMG CLXXXV Crystal Bay Sub LLC, a property owned and operated by MIMG. She resides at 2418 Crystal Bay Ct. SW, Rochester, MN 55902.

11. Marsha Loving is a former resident of MIMG CLXXXV Heritage Manor Sub LLC, a property owned and operated by MIMG. She resided in Apartment #206, 2455 Highway 52 North, Rochester, MN 55901.

12. Heavenle' McDonald is a former resident of MIMG CLXXXV Winchester Sub LLC, a property owned and operated by MIMG. She resides at 1860 41st Street NW, Rochester, MN 55901.

13. Defendant Monarch Investment and Management Group, LLC is a Colorado corporation with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116.

14. Defendant Monarch Management, Inc. is a Colorado corporation with its registered address located at 1999 Broadway, Suite 3225, Denver, CO 80202, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116.

15. Defendant MIMG XXXVIII Stone Grove, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG XXXVIII Stone Grove, LLC owns the apartment complex located at 2525 Williams Dr., Burnsville, MN 55337.

16. Defendant MIMG CII Les Chateaux, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CII Les Chateaux, LLC owns the apartment complex located at 3800 London Road Duluth, MN 55804.

17. Defendant MIMG CXXXVII Gates of Rochester, LLC is a Colorado limited liability company with is registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CXXXVII Gates of Rochester, LLC owns the apartment complex located at 2015 41st Street NW, Rochester, MN 55901.

18. Defendant MIMG XLVIII City Limits, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG XLVIII City Limits, LLC owns the apartment complex located at 127 E 59th St., Minneapolis, MN 55419.

19. Defendant MIMG XXXII Eden Park, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG XXXII Eden Park, LLC owns the apartment complex located at 6455 Zane Ave. N., Brooklyn Park, MN 55429.

20. Defendant MIMG CLI Upper Town, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLI Upper Town, LLC owns the apartment complex located at 1310 15th St. N., #2, St. Cloud, MN 56303.

21. Defendant MIMG CXLIII Fountains in the Park, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CXLIII Fountains in the Park, LLC owns the apartment complex located at 5700 73rd Ave. N., Brooklyn Park, MN 55429.

22. Defendant CMC 1 Meadows of Coon Rapids, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. CMC 1 Meadows of Coon Rapids, LLC owns the apartment complex located at 1770 121st Ave. NW, Coon Rapids, MN 55448.

23. Defendant MIMG CLXXXV Winchester Sub LLC is a Colorado limited liability company with its registered address and principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXV Winchester Sub LLC owns the Winchester Apartments and the Village Green building, in Rochester, MN.

24. Defendant MIMG CLXXXV Heritage Manor Sub LLC is a Colorado limited liability company with its registered address and principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXV Heritage Manor Sub LLC owns the Heritage Manor buildings on 18½ Ave. NW and Highway 52 North in Rochester, MN.

25. Defendant MIMG CLXXXV Crystal Bay Sub LLC is a Colorado limited liability company with its registered address and principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXV Crystal Bay Sub LLC owns the Crystal Bay townhomes in Rochester, MN.

26. MIMG CLXXXIV Brooklyn 2 Master, LLC is a Colorado limited liability company with its registered address at 100 South Fifth Street, Suite 1075, Minneapolis, MN 55402, and its principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116.

27. MIMG CLXXXIV Sterling Square Sub LLC, is a Colorado limited liability company with its registered address at 100 South Fifth Street, Suite 1075, Minneapolis, MN 55402, and its principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXIV Sterling Square Sub LLC owns properties on 6700 Humboldt Ave. N. and 67th Ave N. in Brooklyn Center, MN.

28. MIMG CLXXXV French Creek Sub LLC a Colorado limited liability company with its registered address and principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXV French Creek Sub LLC owns properties on 18th Ave. NW, Rochester, MN 55901, and on Chardonnay Lane NW, Rochester, MN 55901.

29. MIMG CLXXXV Olympik Village Sub LLC is a Colorado limited liability company with its registered address and principal place of business at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXV Olympik Village Sub LLC own the property at 402 31st St. NE, Rochester, MN 55906.

30. MIMG CLXXXIV W Broadway Sub is a Colorado limited liability company with its registered address at 100 South Fifth Street, Suite 1075, Minneapolis, MN 55402, and principal place of business 2195 N. Highway 83, Suite 14B, Franktown, CO 80116. MIMG CLXXXIV W Broadway Sub owns the apartment at 6640 West Broadway, Brooklyn Park, MN 55428.

31. Defendant Cornerstone Monarch Capital, LLC is a Colorado limited liability company with its registered address located at 1010 Dale St. N., Saint Paul, MN 55117, and its principal executive office is at 2195 N. Highway 83, Suite 14B, Franktown, CO 80116.

32. Defendants' public representations about their business and financial operations show that they function as alter egos and instrumentalities of each other. "When using the alter ego theory to pierce the corporate veil, courts look to the 'reality and not form, with how the corporation operated and the individual defendant's relationship to that operation.'" *Hoyt Props. v. Prod. Res. Grp., L.L.C.*, 736 N.W.2d 313, 318 (Minn. 2007) (citation omitted). Based on the facts alleged herein, Defendants meet the following non-exhaustive factors supporting a finding of alter ego status: (1) they are controlled by the same persons; (2) they conduct business through wholly-owned and/or closely interrelated entities; (3) they maintain offices in the same location; (4) they share common directors and officers; (5) they issue consolidated financial statements and tax returns; (6) one dominant person or entity holds itself out as having substantial control of the other entities and did in fact have substantial control; (7) the corporate relationship is a convenient way for the dominant person or entity to organize its own business; (8) the non-dominant entities do not observe corporate formalities; and/or (9) the non-dominant entities are not independently

capitalized and are dependent on dominant entities for funds and services. *See, e.g., JL Schwieters Constr., Inc. v. Goldridge Constr., Inc.*, 788 N.W.2d 529, 536-37 (Minn. Ct. App. 2010); *Hoyt Props.*, 736 N.W.2d at 318. Thus, Defendants' formal entity status does not protect them from liability or jurisdiction in this case.

33. The website at <https://mimginvestment.com> is the hub of external and internal corporate business communications for Defendants. This website contains extensive statements of corporate policy and practices, descriptions of corporate structure, and mechanisms for communication between tenants, investors, and the public. The [mimginvestment.com](https://mimginvestment.com) website expressly advertises itself as the corporate website for "Monarch Investment and Management Group" (or "Monarch"), a corporate entity that the website repeatedly describes a single "Company" operated by a single "Owner" and "Owner/President/CEO" (C. Robert Nicolls, II) and a single executive team (which includes at least two other members of the Nicolls family) within a single corporate structure that the website lays out with detailed organizational charts. According to the website, Monarch Investment and Management Group controls all aspects of the business operations of the Defendants, including asset management, property management, data analysis, corporate services, accounting, marketing, legal, human resources, training, team relations, recruiting, tax, and IT. The homepage for the [mimginvestment.com](https://mimginvestment.com) website describes the business operations of all Defendants collectively as if they are contained in the same single company: "Monarch specializes in the acquisition and management of income-producing real estate, particularly multifamily apartment communities" and that "Monarch remains part of the process all the way through conclusion" such that "[t]he same people who approve and acquire the property are the ones who are actively involved in managing the property every day . . . [and] at every phase." The website also states: "It is this unique and continuous involvement that separates Monarch from the competition and drives superior returns for our investors and employee owners."

Moreover, the “Operational Philosophy” page of the website describes Monarch’s philosophy as “striv[ing] to operate as a cradle to grave investment company that improves the lives of its tenants, investors, and employees” by systematically “[s]eeking continual NOI [net operating income] increases and cash on cash distributions by limiting expenses,” “[p]roviding expert support to our complexes in areas such as IT, Legal, and Marketing,” “[p]erforming capital upgrade work such as roofing and painting in-house,” and “[c]ontrolling expenses by looking for administrative efficiencies.”

34. Moreover, the [mimginvestment.com](http://mimginvestment.com) website refers to a single “Monarch Portfolio” with a collection of “293 [Properties]” and “69,982 units” in “20 States”—including the properties and units in Minnesota at issue in this case. The website also contains a link to a corporate resume for the “Monarch Investment and Management Group” that describes a unified business and financial operation in which a quarterly consolidated “Investor’s Report” is generated for all properties including “Operational Narrative,” “Balance Sheet,” “Profit and Loss Statement with Budget Variance,” and “Owners Distribution Schedule.” In addition, the corporate resume for “Monarch Investment and Management Group” indicates that corporate taxes are performed on a portfolio-wide basis, including the annual issuance of “Partnership Form 1065 Schedule K-1.” This consolidated treatment of all entities within the Monarch Investment and Management Group is also expressly admitted by Andy Newell—listed as the “Chief Financial Officer” on the [mimginvestment.com](http://mimginvestment.com) website—in a Multifamily Real Estate News article where he describes himself as “direct[ing] the accounting and reporting of all assets within the Monarch Investment and Management Group portfolio.” *See* <https://www.multihousingnews.com/where-have-all-the-evictions-gone/>.

35. Further, Defendants’ corporate disclosures to state and federal governments confirm the intertwined and interchangeable nature of their business operations. For example, all

Defendants share the same business address of 2195 N. Hwy 83, Suite 14B, Franktown, CO 80116, and make express reference to “Monarch Investment and Management Group” in their own corporate names (either by word or initials). The persons and entities responsible for the formation of all Defendant entities are a closely-interwoven group consisting almost completely of Nicolls, Monarch Management, Inc., and Cornerstone Monarch Capital, LLC. The articles of incorporation for Defendants filed with the Colorado Secretary of State do not require the Defendants to follow corporate formalities in terms of independent boards, executives, meetings, minutes, or bank accounts.

36. All Defendants are directly or indirectly controlled by C. Robert Nicolls, II. Nicolls is identified on the [mimginvestment.com](http://mimginvestment.com) website as the “Owner” and as the “Owner/President/CEO” at the top of the corporate organizational chart for “Monarch Investment and Management Group.” The website states that Nicolls is “[r]esponsible for the overall operations and performance of the company.” The articles of incorporation show that Nicolls was the sole person responsible for the formation of Monarch Investment and Management Group, LLC, the entity identified as the governing “Company” on the “Privacy Policy” page of the [mimginvestment.com](http://mimginvestment.com) website. The articles of incorporation for Monarch Investment and Management Group, LLC specifically provide: “The business and affairs of the Company shall be managed exclusively by its designated Managers. Initially, there shall be one Manager: C. Robert Nicolls, II.” The articles of incorporation for Monarch Management, Inc. also show that Nicolls was the sole person responsible for its formation. Monarch Management, Inc. is the parent entity for almost all of the property-based Defendant LLCs. SEC disclosures show that Nicolls was an original executive at Defendant Cornerstone Monarch Capital, LLC, the parent for Defendant CMC 1 Meadows of Coon Rapids, LLC.

37. Further, on information and belief, Defendants have improperly presented themselves as separate entities at least in part as a façade to shield themselves from liability for the kind of unlawful and fraudulent business practices alleged in the Amended Complaint. Thus, it would be unjust and unfair to allow Defendants to maintain corporate distinctions to protect themselves from liability in this case.

38. In addition, for the reasons alleged herein, Defendants are liable for the acts of the others under agency theory.

39. Venue is proper in Olmsted County because the cause of action arose in part in Olmsted County. Minn. Stat. § 542.09.

### **STATEMENT OF FACTS**

40. MIMG is a commercial enterprise consisting of the named Defendants, among other persons and entities, who together are in the business of, among other things, the acquisition and management of income-producing real estate including multifamily apartment buildings.

41. After acquisition of a multifamily apartment building, MIMG remains actively involved with the day-to-day management of each property through wholly-owned property management companies. Monarch Management, Inc. and/or Cornerstone Monarch Capital, LLC serve as the property manager for some or all of the other named Defendants.

42. MIMG describes itself as the 13th largest multifamily apartment owner in the country, listing 69,706 apartment units in 20 states.

43. Within Minnesota, MIMG, by and through its affiliated companies, owns 15 properties, with 2,567 total units.

44. HOME Line provides free and low-cost legal, organizing, education, and advocacy services so that tenants throughout Minnesota can solve their own rental housing problems. Among the tenants utilizing HOME Line's services are tenants of MIMG's eight Minnesota properties.

45. HOME Line has expended, and continues to expend, substantial resources to assist MIMG's tenants in enforcing their statutory and contractual rights, including, but not limited to, addressing tenant calls to HOME Line's tenant hotline, educating tenants on their rights in eviction proceedings, and addressing the long term consequences of homelessness and housing instability that has resulted from MIMG's aggressive and unlawful actions against Minnesota tenants.

46. HOME Line has suffered particularized and concrete injury directly connected to Defendants' conduct by: (1) undermining HOME Line's advocacy, education, and training programs designed to promote fair and affordable housing; (2) requiring HOME Line to divert scarce resources away from their usual activities and instead to devote substantial time in response to Defendants' practices; (3) frustrating HOME Line's missions of preserving affordable housing and stopping bad management practices; and (4) harming the tenant communities that HOME Lines serves.

## **I. MIMG UTILIZES CONFUSING LEASE PROVISIONS**

47. Minnesota Statutes Section 325G.31 sets forth a standard of clarity for consumer contracts, including residential leases, stating that contracts must be written in a clear and coherent manner, using words with common and everyday meanings.

48. Minnesota Statutes Section 325G.21 states that consumer contracts shall be appropriately divided and captioned by their various sections.

49. Since 2018, as a common practice at each of its fifteen (15) Minnesota properties, MIMG utilized a variety of lease agreements, regularly in excess of 40-pages, that contain

provisions contradicting Minnesota Statutes, misstate the rights of tenants under Minnesota Statutes, and mislead tenants as to the true cost of tenancy under the lease agreements.

50. The lease agreements are excessively long, disorganized, and contain dozens of addenda. The lease agreements cause widespread confusion among MIMG's tenants as to their rights and responsibilities under the lease, including but not limited to their responsibility to pay certain fees and charges that are in excess of the stated monthly rent.

51. The lease agreements are written in an unreasonably small type face and utilize legalese and/or technical terms that are not reasonable to include in a residential lease.

## **II. MIMG FAILED TO MAKE DISCLOSURES UNDER THE SINGLE-METER STATUTE AND CHARGED TENANTS UNLAWFUL FEES**

52. Minnesota Statutes Section 504B.215 governs a landlord's responsibility to both prospective and current tenants in residential buildings that utilize single-metered utilities.

53. Minnesota Statutes Section 504B.215, subdivision 2(a), states:

A landlord of a single-metered residential building who bills for utility charges separate from the rent:

(1) must provide prospective tenants notice of the total utility cost for the building for each month of the most recent calendar year;

(2) must predetermine and put in writing for all leases an equitable method of apportionment and the frequency of billing by the landlord;

(3) must include in the lease a provision that, upon a tenant's request, the landlord must provide a copy of the actual utility bill for the building along with each apportioned utility bill.

(4b) By September 30 of each year, a landlord of single-metered residential building who bills for gas and electric utility charges separate from rent must inform tenants in writing of the possible availability of energy assistance from the Low Income Home Energy Assistance Program. The information must contain the toll-free telephone number of the administering agency.

54. Minnesota Statutes Section 504B.215, subd.4(2), states that "[t]he tenant rights under this section may not be waived or modified."

55. From at least 2018 until August 2020, MIMG's failed, in its single-metered buildings, to provide prospective tenants notice of the total utility cost for the building for each month of the most recent calendar year at the time of entering the lease for separate utility billing.

56. In buildings with a single-meter utility, MIMG failed to provide a copy of the actual utility bill for the building along with each apportioned utility bill.

57. MIMG's conduct, practices, and actions described in this Amended Complaint constitute multiple separate violations of Minn. Stat. § 504B.215, subd. 2(a).

58. Between February 2019 and July 2019 Plaintiff Iris Bautista was a tenant at the Gates of Rochester, which charged her \$128.90 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

59. Between December 2018 and April 2019, Plaintiff Laura Hamersma was a tenant at the Gates of Rochester. MIMG charged her \$287.64 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

60. Between December 2018 and July 2020, Plaintiff Jemicia Mitchell was a tenant at the Gates of Rochester. MIMG charged her \$250.46 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

61. Between August 2019 to Present, Plaintiff Kiona Adams was a tenant at the Gates of Rochester. MIMG charged her \$900.72 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

62. Since October 2020, Corey Dahl has been a tenant at the Crystal Bay Townhomes (a/k/a MIMG CLXXXV Crystal Bay Sub LLC). MIMG charged her \$352.40 for trash that was billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utility charges.

63. Between August 2019 to March 2022, Plaintiff Marsha Loving was a tenant at Heritage Manor (MIMG CLXXXV Heritage Manor Sub LLC). MIMG charged her \$478.51 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charge.

64. Between September 2020 to April 2022, Plaintiff Heavenle' McDonald was a tenant at the Village Green Townhomes (a/k/a MIMG CLXXXV Winchester Sub LLC). MIMG charged her \$550.82 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

65. In buildings where at least one utility is based on a single meter, MIMG has failed to provide tenants and prospective tenants with notice of the total utility cost for the building for each month of the most recent calendar year.

66. MIMG has further failed to provide an actual utility bill for the building along with each apportioned utility bill.

67. The Gates of Rochester is one of these buildings; none of the Plaintiffs received an apportioned utility bill.

68. For example, MIMG did not provide Plaintiffs Iris Bautista, Laura Hamersma, Jemicia Mitchell, Kiona Adams, Marsha Loving, or Heavenle' McDonald with notice of the total utility cost for the building for each month of the most recent calendar year prior to entering their leases with MIMG or at any other time.

69. Defendant MIMG is liable in its capacity as property owner, landlord, property manager, and/or alter ego as a result of these and other actions it has taken constituting multiple separate violations Minn. Stat. § 504B.215.

70. Between February 2019 and July 2019 Plaintiff Iris Bautista was a tenant at the Gates of Rochester. MIMG charged her \$128.90 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

71. During this same period, MIMG also charged her \$819.83 for the following hidden fees and evicted her in part for failing to fully pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Utility Billing Fees	03/01/2019; 04/01/2019; 05/01/2019; 06/01/2019; 07/01/2019	\$26
VCR Admin Usage Fees	04/01/2019; 05/01/2019; 06/01/2019; 07/01/2019	\$250
VCR Gas Usage Fees	04/01/2019; 05/01/2019; 06/01/2019; 07/01/2019	\$273.50
VCR Electric Usage Fees	7/1/2019	\$30.33
Late Fees	05/06/2019; 06/04/2019; 07/04/2019	\$210.00
Returned Check Charges	6/28/2019	\$30

72. Between December 2018 and July 2019, Plaintiff Laura Hamersma was a tenant at the Gates of Rochester. MIMG charged her \$287.64 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

73. MIMG also charged her \$2,700.64 for various hidden fees in this time period and evicted her in part for failing to fully pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Admin Fees	1/1/2019	\$4
Short Term Lease Premium	1/1/2019; 02/01/2019; 03/01/2019	\$60
Late Fees	01/04/2019; 02/04/2019; 03/06/2019	\$201.36
Lease Term Fees	3/31/2019	\$1,678
Convenience Fees	1/16/2019	\$4.50
Lot Clean Out Towing Charge	1/23/2019; 2/22/2019	\$100
Utility Billing Fees	02/01/2019; 03/01/2019; 03/28/2019; 04/01/2019	\$16
Legal Fees	02/18/2019; 03/31/2019	\$633
Deposit Interest	3/31/2019	\$3.78

74. Between December 2018 and July 2020, Plaintiff Jemicia Mitchell was a tenant at the Gates of Rochester. MIMG charged her \$250.46 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

75. It also charged her \$2,593.66 for various hidden fees in this time period and evicted her in part for failing to pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Admin Fees	01/01/2019;	\$4
Utility Reconciliation	1/1/2019	\$106.45
Late Fees	01/04/2019; 2/4/2019	\$143.67
Utility Billing Fees	2/1/2019; 06/01/2020; 07/01/2020	\$12
Legal Fees	2/8/2019; 6/30/2020	\$752
Cleaning Fees	6/30/2020	\$216.25
Repairs and Replacement Fees	6/30/2020	\$1,199.10
VCR Gas Fees	7/1/2020	\$60.19
VCR Fees	7/1/2020	\$100.00

76. Between August 2019 to present, Plaintiff Kiona Adams was a tenant at the Gates of Rochester. Beginning in September 2021, MIMG charged her \$900.72 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

77. It also charged her \$2,228.11 for various hidden fees and attempted to evict her in part for failing to pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Utility Billing Fee/Utility Billing Service Fee	10/1/19; 11/1/19; 12/1/19; 1/1/20; 2/1/20; 3/1/20; 4/1/20; 5/1/20; 6/1/20; 7/1/20; 8/1/20; 9/1/20; 10/1/20; 11/1/20; 12/1/20; 1/1/21; 2/1/21; 3/1/21; 4/1/21; 5/1/21; 6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22; 3/1/22; 4/1/22	\$124
Vacant Recovery (VCR) Penalties/Fees	7/1/20; 8/1/20; 10/1/21	\$350
Vacant Recovery (VCR) (Gas)	7/1/20; 8/1/20; 10/1/21	\$312.93
Renters Insurance Waiver Fee	10/1/20; 11/1/20; 12/1/20; 1/1/21; 2/1/21; 3/1/21; 4/1/21; 5/1/21; 6/1/21; 7/1/21; 8/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22; 3/1/22; 4/1/22	\$270
Late Fees	6/6/21; 7/6/21; 8/6/21; 9/6/21; 10/6/21; 1/6/22; 2/6/22; 3/6/22; 4/6/22	\$711.18.
Eviction filing fee	1/14/22	\$460.00

78. Plaintiff Corey Dahl has been a tenant at the Crystal Bay Townhomes (a/k/a MIMG CLXXXV Crystal Bay Sub LLC). MIMG charged her \$352.40 for trash that was billed on a single-meter utility.

79. It also charged her \$4,143.75 for various hidden fees and filed an eviction action against her in part for failing to pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Closing renter's insurance	5/25/2021	\$105
Closing utility fee	5/25/2021	\$17
Closing late fee	5/25/2021	\$424
Closing BB billback	5/25/2021	\$124.07
Closing gas	5/25/2021	\$137.04

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Closing utility penalty	5/25/2021	\$100
Renters Insurance Waiver Fee	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22	\$165
Utility Billing - Service Fee	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22; 3/1/22; 4/1/22	\$46.75
Vacant Recovery (VCR) Gas	6/1/21; 7/16/21; 8/12/21; 9/13/21; 10/12/21; 11/15/21; 1/21/22; 2/24/22; 3/18/22; 4/14/22	\$651.37
Vacant Recovery (VCR) Penalties/Fees	6/1/21; 7/16/21; 8/12/21; 9/13/21; 10/12/21; 11/15/21; 1/21/22; 2/24/22; 3/18/22; 4/14/22	\$500
Late Fees	6/6/21; 7/6/21; 8/6/21; 9/6/21; 10/6/21; 1/6/22; 2/6/22; 3/6/22; 4/6/22	\$954
Eviction filing fee	1/13/2022	\$460
Attorney Fees Reimbursement	3/21/2022	\$460

80. Between August 2019 to March 2022, Plaintiff Marsha Loving was a tenant at Heritage Manor (MIMG CLXXXV Heritage Manor Sub LLC). Beginning in May 2021, MIMG charged her \$478.51 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

81. It also charged her \$1,439.80 for various hidden fees and attempted to evict her in part for failing to pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Closing garage	5/25/2021	\$65
Closing insurance	5/25/2021	\$90
Closing utility fee	5/25/2021	\$12.80
Closing late	5/25/2021	\$52.32
Individual Garages carports space	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22	\$585

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Renters Insurance Waiver Fee	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22	\$135
Utility Billing - Service Fee	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22	\$28.80
Late Fee	6/6/21; 7/6/21; 8/6/21; 9/6/21; 10/6/21; 11/6/21; 12/6/21; 1/6/22; 2/6/22	\$470.88

82. Between September 2020 to April 2022, Plaintiff Heavenle' McDonald was a tenant at the Village Green Townhomes (a/k/a MIMG CLXXXV Winchester Sub LLC). Beginning in May 2021, MIMG charged her \$550.82 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

83. It also charged her \$3,612.21 for various hidden fees and attempted to evict her in part for failing to pay them:

<b>Description</b>	<b>Date(s) Charged</b>	<b>Total Amount</b>
Closing utility fee	5/25/2021	\$12.80
Closing renter's insurance	5/25/2021	\$60
Closing garage	5/25/2021	\$440
Closing late fee	5/25/2021	\$384
Individual Garages carports space	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21/ 1/1/22; 2/1/22; 3/1/22;	1,064.52
Renters Insurance Waiver Fee	6/1/21; 7/1/21; 8/1/21; 9/1/21; 10/1/21; 11/1/21; 12/1/21; 1/1/22; 2/1/22; 3/1/22	\$145.16
"Owes \$1,200 in rent for March"	3/1/2022	\$387.10
Late Fees	6/1/21; 7/1/21; 8/6/21; 10/6/21; 1/6/22; 2/6/22; 3/6/22	\$623.15
Attorney Fees Reimbursement	3/14/2022	\$460

Description	Date(s) Charged	Total Amount
“Owes \$110 in garages for March”	3/14/2022	\$35.48

84. Upon information and belief, MIMG also charged Plaintiffs Sara Kolstad, Jonah Aquino, Hannah Hekel, and Antwan Loving for water, trash, and sewer that were billed on a single-meter utility, as well as other hidden fees, and evicted each of them based in part for failing to fully pay these unlawful utilities charges.

85. MIMG has failed to return the security deposits for Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Marsha Loving, and/or Heavenle’ McDonald, based in whole, or in part, on charges for utilities and other fees that are not authorized under Minnesota law.

86. MIMG continues to charge tenants for water, trash, and sewer on single-meter utilities without providing the proper notice, as well as other hidden fees, and evict them in part for failing to fully pay these unlawful utilities charges.

**III. MIMG HAS COMMITTED NUMEROUS VIOLATIONS RELATED TO THE RENTHELPMN EMERGENCY RENTAL ASSISTANCE PROGRAM**

87. The RentHelpMN COVID-19 Emergency Rental Assistance Program (“RentHelpMN”) was created to provide direct assistance to renters who experienced financial hardship due to the COVID-19 pandemic. MINN. HOUS. RENTHELPMN COVID-19 EMERGENCY RENTAL ASSISTANCE PROGRAM GUIDE 3 (Jan. 28, 2022), <https://www.mnhousing.gov/sites/Satellite?c=Page&cid=1520407740473&d=Touch&pagename=External%2FPage%2FEXTStandardLayout>.

88. Under the RentHelpMN assistance program, tenants were able to request up to 18 months of rental assistance and three of these months may be “prospective” or future rent. See MINN. HOUS., *supra*, at 16.

89. When landlords complete the “Approval” portion of their portion of the application, they are provided a detailed summary of the months covered and provided the opportunity to choose between the following options: 1) approve the amount, 2) indicate the amount needs correction, or 3) choose not to participate. The landlord is provided notice at this point that: “*Your commitment by accepting this aid means that any current eviction process will be cancelled, and no new eviction process can start from 30 days of receipt of the funds.*”

90. During the landlord’s application, landlords sign an agreement titled: Terms of Agreement by the Landlord/Property Owner--which include the following provisions:

- a. “*Payment of the rent/fees listed through the RentHelpMN COVID-19 Emergency Rental Assistance program will satisfy the tenant’s monetary obligation for the rental unit for the month’s listed.*”
- b. “*I agree that, during the period of time covered by the rental assistance payments, I will not terminate the lease or file an eviction action against the household for nonpayment.*”
- c. “*By signing below, I, the landlord or legal representative, certify that I have read and agreed to the terms of this agreement.*”

91. The Program Guide states that “Landlords and property owners are *prohibited* from evicting a tenant for nonpayment of rent for *any period covered by rental assistance through the Program.*” See MINN. HOUS., *supra*, at 16 (emphasis added).

92. MIMG accepted RentHelpMN funds, applied those funds to certain tenants’ debts for rent and the illegal fees that MIMG charged, and then filed evictions against tenants alleging nonpayment of rent for the months that were already covered by rental assistance.

93. For example, on or about October 18, 2021, MIMG accepted RentHelpMN funds in the amount of \$9,750.77 on behalf of Kiona Adams that covered rent from January 2021 through

January 2022. Then, on January 14, 2022, MIMG filed an eviction against Kiona Adams alleging nonpayment of rent for January 2022.

94. On or about October 25, 2021, MIMG accepted RentHelpMN funds in the amount of \$17,820.87 on behalf of Corey Dahl that covered rent from January 2021 through January 2022. Then, on January 14, 2022, MIMG filed an eviction against Corey Dahl alleging nonpayment of rent for January 2022.

95. On or about January 17, 2022, MIMG accepted RentHelpMN funds in the amount of \$3,166.12 on behalf of Marsha Loving that covered rent from December 2021 through March 2022. Then, on February 20, 2022, MIMG filed an eviction against Marsha Loving alleging nonpayment of rent for January and February 2022.

96. On or about December 7, 2021, MIMG accepted RentHelpMN funds in the amount of \$4,961.52 on behalf of Heavenle' McDonald that covered rent from November 2021 through February 2022. Then, on February 18, 2022, MIMG filed an eviction against Heavenle' McDonald alleging nonpayment of rent for January and February 2022.

97. MIMG also misapplied RentHelpMN funds to unlawful charges (including utilities billed on a single meter and other hidden fees) rather than rent for the months that the assistance was intended to cover.

98. MIMG continues to file evictions against tenants alleging nonpayment of rent for the months that were already covered by rental assistance.

99. In addition, Minnesota Session Laws, Chapter 8 Article 5, Section 4, enacted on June 29, 2021, provides that:

. . . the filing of an eviction action or proceeding with an eviction action based on nonpayment of rent against a tenant with a pending application for assistance through an emergency rental assistance program authorized under the federal Consolidated Appropriations Act, 2021, Public Law 116-260, or the federal American Rescue

Plan Act, 2021, Public Law 117-2, is prohibited. If the tenant reasonably has access to the information, the tenant must provide the landlord or court with proof of a pending application and reason for a delay, if any, in processing the tenant's application. This section expires June 1, 2022.

100. Upon information and belief, MIMG filed eviction actions against tenants based on nonpayment of rent when it knew that the tenants had a pending application for emergency rental assistance.

#### **IV. MIMG'S LEASES MISREPRESENT TENANT RIGHTS UNDER MINNESOTA LAW**

101. Minnesota Statutes Section 504B.161 codifies the duties of a landlord, referred to commonly as the "Covenants of Habitability."

102. Minnesota landlord-tenant law requires landlords—not tenants—to be responsible for ensuring that units are in "reasonable repair" and in compliance with health and safety laws, unless the disrepair has been caused by the tenant's willful, malicious, or irresponsible conduct.

103. Minnesota Statutes Section 504B.161 explicitly forbids landlords from entering into agreements with tenants, which waive or modify a landlord's statutory duties, including but not limited to the Covenants of Habitability.

104. MIMG's lease contains multiple provisions that illegally shift the "responsible repair" duties from MIMG to the tenant, including, but not limited to the following provisions:

- That tenants "must promptly reimburse us for loss, damages, government fines, or cost or repairs due to the violation of the Lease, improper use, or negligence by you or your guests or occupants";
- Tenants "are responsible to us for any damages sustained by us due to fire, smoke, explosion, water discharge, and/or sewer backup negligently caused by you or your occupants";

- In the event of bed bugs, tenants “may be required to pay all reasonable costs of cleaning and pest control treatments incurred by us to treat the dwelling unit”; if tenant “fails to pay us for the costs you are liable for, you will be in default, and we will have the right to terminate your right of occupancy and exercise all rights and remedies under the Lease Contract, and obtain immediate possession of the dwelling”;
- Tenants “must pay for all repairs or replacements arising from misuse or damage to devices by you or your occupants, or guests during your occupancy.”

105. On information and belief, MIMG has premised some eviction complaints, in whole or in part, on a tenant’s failure to pay account charges that are based on unenforceable lease provisions, including: unlawful shifting of repair burdens; unlawful “garage fees;” “Utility Billing Fees;” unlawful “VCR Admin Usage Fees;” unlawful “VCR Gas Usage Fees;” unlawful “VCR Electric Usage Fees;” unlawful “Late Fees;” unlawful “Returned Check Charges;” unlawful “Admin Fees;” unlawful “Short Term Lease Premium;” unlawful “Lease Term Fees;” unlawful “Convenience Fees;” unlawful “Lot Clean Out Towing Charge;” unlawful “Deposit Interest” charge; unlawful “Utility Reconciliation” charge; unlawful “Legal Fees;” unlawful “Cleaning Fees;” unlawful “VCR Fees;” unlawful “Closing” fees, including garage, insurance, and “utility” fees; unlawful “Renters Insurance Waiver” fees; and other unlawful charges.

106. MIMG’s burden-shifting repair provisions mislead tenants about, among other things, their guaranteed rights and remedies under Minnesota law by misrepresenting to tenants that the tenant, not MIMG, would always be responsible for the cost of repairs in the event of damage, no matter the cause.

107. MIMG's tenants have relied on these misrepresentations made by MIMG during the negotiations leading up to and in the signing of the lease agreements to the tenant's detriment.

108. These misrepresentations cause MIMG's tenants to believe that a tenant has financial responsibility for damage to the premises that is not to the result of willful, malicious, or irresponsible conduct by the tenant.

109. When MIMG communicated with tenants about the foregoing issues, they have a duty to say enough to prevent their words from misleading the tenants.

110. MIMG has special knowledge of the foregoing issues that created a duty to say enough to prevent their words from misleading the tenants.

111. MIMG has a duty to tenants regarding habitability and health and safety issues given the statutory covenants of Minn. Stat. § 504B.161.

112. Minnesota Statutes Section 8.31, subd. 3a, confers permits "any person injured by a violation of any of the laws referred to in subdivision 1" to become a private attorney general who "may bring a civil action and recover damages, together with costs and disbursements, including costs of investigation and reasonable attorney's fees, and receive other equitable relief as determined by the court." Subdivision 1 identifies the "the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade" as being enforceable by the private attorney general. Thus, all claims brought in this Amended Complaint respecting unfair and other unlawful practices in business under Minnesota state law are brought under the auspices of the private attorney general provision of Minn. Stat. § 8.31, subd. 3a.

113. Plaintiffs HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald, individually and collectively have been injured by MIMG's conduct and have standing to act as a private attorney general under Minn. Stat. § 8.31, subd. 3a.

114. MIMG has caused a widespread denial of legal rights and remedies under Minnesota consumer and landlord-tenant laws among MIMG's tenants and has caused these tenants to incur and pay charges unlawfully assessed under the lease agreements or to face and defend against eviction actions for failing to pay these charges.

115. Plaintiffs HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald, individually and collectively, bring this action to remedy the broad harm caused by MIMG's unlawful practices to the past, present, and prospective tenants of MIMG's 2,567 apartment units.

116. Prosecution of this claim as private attorney general will provide a significant public benefit. Defendants' widespread unlawful practices of consumer fraud and violation of tenant-protection laws threaten the health, safety, and welfare of all MIMG tenants and the public in general. This lawsuit seeks equitable relief that would stop and remedy Defendants' unlawful conduct not just with respect to Plaintiffs but with respect to all current and future MIMG tenants.

117. Accordingly, Plaintiffs HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald bring this action to the benefit of a broad range of Minnesotans sufficient to warrant an award of attorneys' fees that would be otherwise awardable to the Minnesota Attorney General under Minnesota law.

**COUNT I – PREVENTION OF CONSUMER FRAUD ACT**  
**MINN. STAT. § 325F.69**

118. Plaintiffs restate and re-allege the allegations in paragraphs 1–117 as if fully set forth herein.

119. Minnesota Statutes Section 325F.69, subdivision 1, states:

The act, use, or employment of any person of any fraud, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided in section 325F.70.

120. The term “merchandise” within the meaning of Minn. Stat. § 325F.69 includes services and real estate such as residential lease agreements. Minn. Stat. § 325F.68, subd.2.

121. MIMG and its agents committed fraud. Agents of Defendant involved in the fraud will be identified through discovery.

122. The instrument of the fraud is the lease agreement entered into with Plaintiffs Iris Bautista, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, and Kiona Adams, as well as past, present, and prospective tenants of MIMG’s 2,567 apartment units.

123. MIMG and its agents have repeatedly violated Minn. Stat. § 325F.69, subd. 1, by making misrepresentations, misleading statements, and/or deceptive practices, with the intent that others rely thereon in connection with the rental of MIMG residential properties to Minnesota residents.

124. MIMG committed fraud when: (1) its agents drafted and approved the lease agreement (the identity of the agents and precise date will be revealed through discovery); (2) when MIMG presented Plaintiffs with the lease agreement; and (3) when MIMG charged Plaintiffs unlawful fees.

125. MIMG presented Plaintiffs with the lease agreement around the following dates, when each lease began:

- a. Iris Bautista: February 8, 2019;
- b. Sara Kolstad: February 18, 2019;
- c. Jonah Aquino: May 9, 2019;

- d. Jemicia Mitchell: June 13, 2019;
- e. Hannah Hekel: April 30, 2019;
- f. Antwan Loving: January 2, 2019; and
- g. Kiona Adams: September 1, 2021.

126. The fraud was committed at the Gates of Rochester located in Olmsted County.

127. The fraud was also committed wherever MIMG's agents drafted and approved the lease agreement (the precise location will be revealed through discovery).

128. The fraud was also committed whenever MIMG or its agents charged Plaintiffs unlawful amounts.

129. Upon information and belief, MIMG charged Plaintiffs with unlawful amounts within or around the following timeframes:

- a. Iris Bautista: February 2019–July 2019;
- b. Laura Hamersma: December 2018–April 2019;
- c. Sara Kolstad: February 2019–July 2019;
- d. Jonah Aquino: April 2019–June 2019;
- e. Jemicia Mitchell: December 2018–February 2019;
- f. Hannah Hekel: April 2019–December 2019;
- g. Antwan Loving: January 2019–July 2019;
- h. Kiona Adams: September 2021–Present;
- i. Corey Dahl: May 2021–Present;
- j. Marsha Loving: May 2021–Present; and
- k. Heavenle' McDonald: May 2021–Present.

130. MIMG's deceptive practices include: (a) marketing and enforcing unlawful lease provisions that deceive and mislead consumers by, among other things: (i) representing that tenants

are responsible for all repairs in the apartment for acts by the tenant that do not rise to willful, malicious, or irresponsible conduct; (ii) representing that tenants are responsible for the full financial burden in complying with health and safety regulations in Minnesota and the Covenant of Habitability, such as the eradication of bed bugs; (iii) imposing hidden fees and charges on tenants that are not revealed to the tenants until late in the rental process; and (b) failing to (i) provide tenants with total utility cost for the single-metered building for each month of the most recent calendar year at the time of entering into the lease when there is a separate utility billing in a single-metered building, (ii) failing to predetermine and put in writing an equitable method of apportionment and the frequency of billing at or before the time of entering into the lease when there is a separate utility billing in a single-metered building and/or (iii) failing to provide copies of past billings to tenants in instances when there is a separate utility billing in a single-metered building; (c) charging fees and evicting tenants based on unenforceable lease provisions, including but not limited to garage fees, convenience fees, utility billing fees, short term lease premiums, admin fees, legal fees, cleaning fees, and VCR fees, and under the illegal provisions of the contract; (d) failing to comply with Minn. Stat. § 504B.178 regarding security deposits; (e) filing eviction actions against tenants based on nonpayment of rent when it knew (or should have known) that the tenants had a pending application for emergency rental assistance; and (f) accepting RentHelpMN funds and then filing evictions against tenants alleging nonpayment of rent for the months that were already covered by rental assistance.

131. In charging these unlawful fees, including the single-meter utility fees, MIMG both affirmatively misrepresented the correct amount of money that Plaintiffs owed and knowingly omitted material facts that it had a duty to disclose to Plaintiffs.

132. MIMG knowingly and intentionally misrepresented to the Plaintiffs their responsibilities under Minnesota law, such as the full financial burden in complying with health and safety regulations and the Covenant of Habitability, through the lease agreement.

133. These misrepresentations, particularly representing that tenants are responsible for the full financial burden in complying with health and safety regulations in Minnesota and the Covenant of Habitability, violate Minn. Stat. § 504B.161.

134. Each of MIMG's conduct, practices, and actions described in this Amended Complaint, considered separately and collectively, constitute violations of Minn. Stat. § 325F.69.

135. In reliance on MIMG's statements, Plaintiffs HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald were misled as to their contractual and statutory rights as tenants and operated during their tenancy under these false assumptions to their detriment.

136. As a result of MIMG's misleading statements and representations, MIMG's tenants have suffered, and are likely to continue to suffer, financial detriment, among other things, in the form of hidden fees and unclear liabilities, as well as contesting and/or being subject to evictions premised on failure to pay these charges.

137. HOME Line has expended substantial resources on MIMG's past, present, and prospective tenants to counter and correct the misstatements and misrepresentations made by MIMG.

138. MIMG is liable in its capacity as property owner, landlord, property manager, and/or as alter ego, as a result of these and other actions it has taken all of which constitute separate violations of Minn. Stat. § 325F.69.

139. Plaintiffs are entitled to an injunction prohibiting MIMG from future commission of its unlawful practices pursuant to Minn. Stat. § 325F.70, subd. 1.

140. Plaintiffs are further entitled to recover their costs and attorneys' fees as provided in Minnesota law to be determined at trial.

**COUNT II – UNIFORM DECEPTIVE TRADE PRACTICES ACT**  
**MINN. STAT. § 325D.44**

141. Plaintiffs HOME Line, Iris Bautista, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald restate and re-allege the allegations in paragraphs 1–140 as if fully set forth herein.

142. Minnesota Statutes Section 325D.44, subd. 1, states:

A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person:

\*\*\*

(2) causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services;

\*\*\*

(5) represents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that the person does not have;

\*\*\*

(7) represents that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;

\*\*\*

(11) makes false or misleading statements of fact concerning the reason for, existence of, or amounts of price reductions;

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(13) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

143. MIMG's deceptive trade practices include: (a) marketing and enforcing unlawful lease provisions that deceive and mislead consumers by, among other things: (i) representing that tenants are responsible for all repairs in the apartment for acts by the tenant that do not rise to willful, malicious, or irresponsible conduct; (ii) representing that tenants are responsible for the

full financial burden in complying with health and safety regulations in Minnesota and the Covenant of Habitability, such as the eradication of bed bugs; (iii) imposing hidden fees and charges on tenants that are not revealed to the tenants until late in the rental process; and (b) failing to (i) provide tenants with total utility cost for the single-metered building for each month of the most recent calendar year at the time of entering into the lease when there is a separate utility billing in a single-metered building, (ii) failing to predetermine and put in writing an equitable method of apportionment and the frequency of billing at or before the time of entering into the lease when there is a separate utility billing in a single-metered building and/or (iii) failing to provide copies of past billings to tenants in instances when there is a separate utility billing in a single-metered building; (c) charging fees and evicting tenants based on unenforceable lease provisions, including but not limited to garage fees, convenience fees, utility billing fees, short term lease premiums, admin fees, legal fees, cleaning fees, and VCR fees, and under the illegal provisions of the contract; (d) failing to comply with Minn. Stat. § 504B.178 regarding security deposits; (e) filing eviction actions against tenants based on nonpayment of rent when it knew (or should have known) that the tenants had a pending application for emergency rental assistance; and (f) accepting RentHelpMN funds and then filing evictions against tenants alleging nonpayment of rent for the months that were already covered by rental assistance.

144. In charging these unlawful fees, including the single-meter utility fees, MIMG both affirmatively misrepresented the correct amount of money that Plaintiffs owed and knowingly omitted material facts that it had a duty to disclose to Plaintiffs.

145. MIMG knowingly and intentionally misrepresented to the Plaintiffs their responsibilities under Minnesota law, such as the full financial burden in complying with health and safety regulations and the Covenant of Habitability, through the lease agreement.

146. These misrepresentations, particularly representing that tenants are responsible for the full financial burden in complying with health and safety regulations in Minnesota and the Covenant of Habitability, violate Minn. Stat. § 504B.161.

147. Each of MIMG's conduct, practices, and actions described in this Amended Complaint, considered separately and collectively, constitute violations of Minn. Stat. § 325D.44.

148. In reliance on MIMG's statements, Plaintiffs HOME Line, Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald were misled as to their contractual and statutory rights as tenants and operated during their tenancy under these false assumptions to their detriment.

149. As a result of MIMG's misleading statements and representations, MIMG's tenants have suffered, and are likely to continue to suffer, financial detriment, among other things, in the form of hidden fees and unclear liabilities, as well as contesting and/or being subject to evictions premised on failure to pay these charges.

150. HOME Line has expended substantial resources on MIMG's past, present, and prospective tenants to counter and correct the misstatements and misrepresentations made by MIMG.

151. Defendant MIMG is liable in its capacity as property owner, landlord, property manager, and/or as alter ego, as a result of these and other actions it has taken all of which constitute separate violations of Minn. Stat. § 325D.44.

152. Plaintiffs are entitled to an injunction prohibiting MIMG from future commission of its unlawful trade practices pursuant to Minn. Stat. § 325D.15.

153. Plaintiffs are further entitled to recover their costs and attorneys' fees as provided in Minnesota law to be determined at trial.

### COUNT III – BREACH OF CONTRACT

154. Plaintiffs Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle’ McDonald restate and re-allege the allegations in paragraphs 1–153 as if fully set forth herein.

155. “A breach of contract is a failure, without legal excuse, to perform any promise that forms the whole or part of the contract.” *Lyon Fin. Servs., Inc. v. Ill. Paper and Copier Co.*, 848 N.W.2d 539, 543 (Minn. 2014). “A breach-of-contract claim requires a plaintiff to prove three elements: (1) contract formation, (2) performance of any conditions precedent, and (3) breach of the contract by the defendant.” *Jatho v. N.E. Title Co.*, A20-0477, 2020 WL 6554662 (Minn. Ct. App. Nov. 9, 2020).

156. Parties may enter into a contract for the purpose of benefiting a third party, in which case, that third party is an intended beneficiary. *Certex Cos., Inc. v. Constr. Leaders, Inc.*, 342 N.W.2d 135, 139 (Minn. 1984) (adopting Restatement (Second) of Contracts, § 302 (1981)). For example, a person may become a “creditor beneficiary”—one type of intended beneficiary—if a party promises to pay their debt to another. *See* Restatement (Second) of Contracts, § 302(1)(a), cmt. b. An intended beneficiary to a contract may recover for a breach. *Certex*, 342 N.W.2d at 139.

157. RentHelpMN entered into contracts with MIMG to pay the debts of Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle’ McDonald in exchange for a promise from MIMG that it would not evict them as tenants for nonpayment of rent during the periods for which RentHelpMN offered assistance. Accordingly, these tenants were intended beneficiaries of RentHelpMN’s respective contracts with MIMG.

158. MIMG accepted rental assistance from RentHelpMN on behalf of Kiona Adams on or around October 18, 2021, for the months of January 2021 through January 2022. MIMG then filed an eviction against Kiona Adams alleging nonpayment of rent for January 2022. MIMG also accepted rental assistance on behalf of Kiona Adams on or around March 23, 2022, for the months

of December 2020 and February 2022. MIMG then filed an amended eviction complaint against Kiona Adams alleging nonpayment of rent for January 2022 and February 2022.

159. MIMG accepted rental assistance from RentHelpMN on behalf of Corey Dahl on or around October 25, 2021 for the months of January 2021 through January 2022. MIMG then filed an eviction against Corey Dahl alleging nonpayment of rent for December 2021 and January 2022. MIMG also accepted rental assistance from RentHelpMN on behalf of Corey Dahl on or around March 4, 2022 for the months of November 2020, December 2020, and February 2022. MIMG then filed a second eviction against Corey Dahl alleging nonpayment of rent for February 2022.

160. MIMG accepted rental assistance from RentHelpMN on behalf of Marsha Loving on or around January 17, 2022, for the months of December 2021 through March 2022. MIMG then filed an eviction against Marsha Loving alleging nonpayment of rent for January and February 2022.

161. MIMG accepted rental assistance from RentHelpMN on behalf of Heavenle' McDonald on or around December 7, 2021 for the months of November 2021 through February 2022. MIMG then filed an eviction against Heavenle' McDonald on February 18, 2022, alleging nonpayment for rent for January and February 2022.

162. The condition precedent for each contract occurred when RentHelpMN distributed rental assistance to MIMG on behalf of Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald.

163. MIMG breached its contract with RentHelpMN when, after accepting the rental assistance payments from RentHelpMN, it evicted Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald.

164. MIMG also breached the implied covenant of good faith and fair dealing by knowingly evicting tenants on whose behalf it had already accepted rental assistance. *See Minnwest Bank Central v. Flagship Properties LLC*, 689 N.W.2d 295, 303 (Minn. Ct. App. 2004) (noting that contracts under Minnesota law generally include an implied covenant of good faith and fair dealing—which “bars a party from unjustifiably hindering the other party’s performance”—and is breached when a party “has an ulterior motive for its refusal to perform a contractual duty”).

165. Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle’ McDonald have each suffered direct and indirect harm as a result of the evictions filed against them by MIMG.

166. Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle’ McDonald seek to recover for MIMG’s breach of contract as intended beneficiaries, including any consequential damages to be determined in discovery.

**COUNT IV - PLAIN LANGUAGE REQUIREMENT**  
**MINN. STAT. § 325G.31**

167. Plaintiffs HOME Line, Iris Bautista, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, and Kiona Adams restate and re-allege the allegations in paragraphs 1–166 as if fully set forth herein.

168. Minnesota Statutes Section 325G.31, subdivision 1, states:

Except as provided in section 325G.32, every consumer contract shall be written in a clear and coherent manner using words with common and everyday meanings and shall be appropriately divided and captioned by its various sections.

169. Between 2018 and 2020 lease agreements used by MIMG at each of its eight (8) Minnesota apartment buildings were not written in a clear and coherent manner.

170. As a result of the disorganized and contradictory provisions of the leases MIMG’s tenants have suffered, and are likely to continue to suffer, financial detriment, among other things,

in the form of hidden fees and unclear liabilities, as well as evictions premised on failure to pay these charges.

171. As a result of the disorganized and contradictory provisions of the leases MIMG's Plaintiffs Iris Bautista, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, and Kiona Adams have suffered, and are likely to continue to suffer, financial detriment, among other things, in the form of hidden fees and unclear liabilities, as well as evictions premised on failure to pay these charges.

172. HOME Line has expended substantial resources on MIMG's past, present, and prospective tenants to counter and correct confusion caused by MIMG's lease agreements.

173. Defendant MIMG is liable in its capacity as property owner, landlord, property manager, and/or alter ego as a result of these and other actions it has taken constituting multiple separate violations of Minn. Stat. § 325G.31.

174. Plaintiffs are entitled to an injunction against Defendants prohibiting them from enforcing any leases containing provisions which violate Minn. Stat. § 325G.31 or from entering into any future lease agreements which contain similar provisions.

175. Plaintiffs are further entitled to an order reforming the lease agreements used by MIMG between 2018 and the present in a manner that makes the lease agreements clear and comprehensible and which contain only provisions consistent with Minnesota law.

176. Plaintiffs are further entitled to recover their costs and attorneys' fees as provided in Minnesota law.

#### **COUNT V- SINGLE-METERED UTILITIES - MINN. STAT. § 504B.215**

177. Plaintiffs restate and re-allege the allegations in paragraphs 1–176 as if fully set forth herein.

178. Minnesota Statutes Section 504B.215, subdivision 2(a), states:

A landlord of a single-metered residential building who bills for utility charges separate from the rent:

(1) must provide prospective tenants notice of the total utility cost for the building for each month of the most of the most recent calendar year;

(2) must predetermine and put in writing for all leases an equitable method of apportionment and the frequency of billing by the landlord;

(3) must include in the lease a provision that, upon a tenant's request, the landlord must provide a copy of the actual utility bill for the building along with each apportioned utility bill.

(4b) By September 30 of each year, a landlord of single-metered residential building who bills for gas and electric utility charges separate from rent must inform tenants in writing of the possible availability of energy assistance from the Low Income Home Energy Assistance Program. The information must contain the toll-free telephone number of the administering agency.

179. Minnesota Statutes Section 504B.215, subd.4(2), states that “[t]he tenant rights under this section may not be waived or modified.”

180. From at least 2018 until August 2020, MIMG's failed, in its single-metered buildings, to provide prospective tenants notice of the total utility cost for the building for each month of the most recent calendar year at the time of entering the lease for separate utility billing.

181. In buildings with a single-meter utility, MIMG failed to provide a copy of the actual utility bill for the building along with each apportioned utility bill.

182. MIMG's conduct, practices, and actions described in this Amended Complaint constitute multiple separate violations of Minn. Stat. § 504B.215, subd. 2(a).

183. Between February 2019 and July 2019 Plaintiff Iris Bautista was a tenant at the Gates of Rochester, which charged her \$128.90 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

184. Between December 2018 and April 2019, Plaintiff Laura Hamersma was a tenant at the Gates of Rochester. MIMG charged her \$287.64 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

185. Between December 2018 and July 2020, Plaintiff Jemicia Mitchell was a tenant at the Gates of Rochester. MIMG charged her \$250.46 for water, trash, and sewer that were billed on a single-meter utility. MIMG evicted her in part for failing to fully pay these unlawful utilities charges.

186. Between August 2019 to Present, Plaintiff Kiona Adams was a tenant at the Gates of Rochester. MIMG charged her \$811.26 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

187. Since May 2021, Corey Dahl has been a tenant at Crystal Bay Townhomes (a/k/a MIMG CLXXXV Crystal Bay Sub LLC). MIMG charged her \$352.40 for trash that was billed on a single-meter utility. It also charged her \$4,143.75 for various hidden fees and filed an eviction action against her in part for failing to pay them.

188. Between August 2019 to March 2022, Plaintiff Marsha Loving was a tenant at Heritage Manor (MIMG CLXXXV Heritage Manor Sub LLC). MIMG charged her \$478.51 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

189. Between September 2020 to April 2022, Plaintiff Heavenle' McDonald was a tenant at the Village Green Townhomes (a/k/a MIMG CLXXXV Winchester Sub LLC). MIMG charged her \$550.82 for water, trash, and sewer that were billed on a single-meter utility. MIMG filed an eviction against her in part for failing to fully pay these unlawful utilities charges.

190. Because MIMG failed to comply with each and every provision of Minn. Stat. § 504B.215, subd.2(a), MIMG was not entitled to collect water and sewer charges from Plaintiffs Sara Kolstad, Hannah Hekel, and Antwan Loving

191. Defendant MIMG is liable in its capacity as property owner, landlord, property manager, and/or alter ego as a result of these and other actions it has taken constituting multiple separate violations Minn. Stat. § 504B.215.

192. As a result of MIMG's violation of Minn. Stat. § 504B.215, Iris Bautista is entitled to recover \$386.70, plus prejudgment interest.

193. As a result of MIMG's violation of Minn. Stat. § 504B.215, Laura Hamersma is entitled to recover \$862.92, plus prejudgment interest.

194. As a result of MIMG's violation of Minn. Stat. § 504B.215, Jemicia Mitchell is entitled to recover \$725.49, plus prejudgment interest.

195. As a result of MIMG's violation of Minn. Stat. § 504B.215, Kiona Adams is entitled to recover \$2,702.16, plus prejudgment interest.

196. As a result of MIMG's violation of Minn. Stat. § 504B.215, Corey Dahl is entitled to recover \$1,057.20, plus prejudgment interest.

197. As a result of MIMG's violation of Minn. Stat. § 504B.215, Marsha Loving is entitled to recover \$1,435.53, plus prejudgment interest.

198. As a result of MIMG's violation of Minn. Stat. § 504B.215, Heavenle' McDonald is entitled to recover \$1,652.46, plus prejudgment interest.

199. Plaintiffs Iris Bautista, Laura Hamersma, Jemicia Mitchell, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald are further entitled to recover their costs and attorneys' fees as provided in Minnesota law.

200. Plaintiffs Sara Kolstad, Hannah Hekel, and Antwan Loving are similarly entitled to recover triple damages for their water, trash, and sewer, along with their costs and attorneys' fees as provided in Minnesota law.

**COUNT VI- BREACH OF THE COVENANTS OF LANDLORD**  
**MINN. STAT. 504B.161**

201. Plaintiffs restate and re-allege the allegations in paragraphs 1–200 as if fully set forth herein.

202. Minnesota Statutes Section 504B.215, subd. 2a(c), states that a landlord that violates the single-meter statute also violates Minn. Stat. § 504B.161, subd. 1.

203. Minnesota Statutes Section 504B.161, subdivision 1, states:

In every lease or license of residential premises, the landlord or licensor covenants:

(2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; [and]

(3) to maintain the premises in compliance with applicable health and safety laws of the state, and of local units of government where the premises are located during the term of the lease or license, except when violations of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee.

204. Minnesota Statutes Section 504B.161, subd. 1(b), states that “[t]he parties to a lease or license of residential premises may not waive or modify the covenants [of habitability] imposed by this section.”

205. Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle’ McDonald each entered into contracts with MIMG.

206. Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald each performed under all lawful provisions of their respective contracts.

207. By enforcing, or attempting to enforce, multiple lease provisions, including unlawful burden-shifting repair provisions and charging other unlawful fees, MIMG has breached its covenant as a landlord to ensure that its premises "are fit for the use intended by" Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald.

208. As a result of MIMG's breaches, Plaintiffs have paid fees, charges, and assessments that were contractually the responsibility of MIMG.

209. As stated in paragraphs 70–85, MIMG charged Plaintiffs for unlawful fees, including, among other things, VCR admin usage fees, convenience fees, utility billing fees, and legal fees for their own unlawful evictions.

210. As previously stated, MIMG filed eviction actions against Kiona Adams, Corey Dahl, Marsha Loving, Heavenle' McDonald, and other tenants, when it knew that tenants had a pending application for emergency assistance and/or after accepting rental assistance from RentHelpMN in violation of its duty to maintain the premises in compliance with applicable health and safety laws of the states, through no willful, malicious, or irresponsible conduct on the part of the tenants.

211. Defendant MIMG is liable in its capacity as property owner, landlord, property manager, and/or alter ego as a result of these and other actions it has taken constituting multiple separate breaches of the lease agreements. Through these charges, MIMG both violated Minn. Stat. §§ 504B.215 and 504B.161, subd. 1.

212. Iris Bautista is entitled to recover at least \$819.83, plus prejudgment interest.

213. Laura Hamersma is entitled to recover at least \$2,700.64, plus prejudgment interest.
214. Sara Kolstad is entitled to recover an amount to be determined in discovery, plus prejudgment interest.
215. Jonah Aquino entitled to recover at least \$110.01, plus prejudgment interest.
216. Jemicia Mitchell is entitled to recover at least \$2,593.66, plus prejudgment interest.
217. Hannah Hekel is entitled to recover an amount to be determined in discovery, plus prejudgment interest.
218. Antwan Loving is entitled to an amount to be determined in discovery, plus prejudgment interest.
219. Kiona Adams is entitled to recover at least \$2,228.11, plus prejudgment interest.
220. Corey Dahl is entitled to recover at least \$4,143.75, plus prejudgment interest.
221. Marsha Loving is entitled to recover at least \$1,439.80, plus prejudgment interest.
222. Heavenle' McDonald is entitled to recover at least \$3,612.21, plus prejudgment interest.
223. Plaintiffs are further entitled to recover their costs and attorneys' fees as provided in Minnesota law.

**COUNT VII – UNIFORM DECLARATORY JUDGMENTS ACT**  
**MINN. STAT. CH. 555**

224. Plaintiffs restate and re-allege the allegations in paragraphs 1–223 as if fully set forth herein.
225. Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Marsha Loving, and Heavenle' McDonald bring this cause of action pursuant to the Uniform Declaratory Judgments Act

(Minnesota Statutes Chapter 555) asking the Court to construe the rights of the parties under the lease agreement and applicable law.

226. As detailed elsewhere in the Amended Complaint, MIMG has charged these individual Plaintiffs for utilities and other fees that are not authorized under Minnesota law.

227. MIMG continues to assert that various amounts are due and owing by these individual Plaintiffs, as follows:

- a. MIMG claims that Plaintiff Iris Bautista owes no less than \$5,633.
- b. MIMG claims that Plaintiff Laura Hamersma owes no less than \$3,033.
- c. MIMG claims that Plaintiff Sara Kolstad owes no less than \$6,764.
- d. MIMG claims that Plaintiff Jonah Aquino owes no less than \$4,000.
- e. MIMG claims that Plaintiff Hannah Hekel owes no less than \$8,541.
- f. MIMG claims that Plaintiff Jemicia Mitchell owes no less than \$1,000.
- g. MIMG claims that Plaintiff Antwan Loving owes no less than \$4,444.
- h. MIMG claims that Plaintiff Kiona Adams owes no less than \$2,886.28.
- i. MIMG claims that Plaintiff Corey Dahl owes no less than \$3,939.39.
- j. MIMG claims that Plaintiff Marsha Loving owes no less than \$1,232.
- k. MIMG claims that Plaintiff Heavenle' McDonald owes no less than \$4,058.

228. The amounts above include illegal charges for utilities and other fees that are not authorized under Minnesota law.

229. Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald dispute that they owe these amounts to MIMG.

230. MIMG has failed to return the security deposits for Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Marsha Loving,

and/or Heavenle' McDonald based in whole, or in part, on charges for utilities and other fees that are not authorized under Minnesota law.

231. Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald have defenses/offsets to the alleged debts, including counterclaims for rent abatement due to failure by MIMG to satisfy the covenants of habitability under Minn. Stat. § 504B.161 and MIMG's failure to comply with Minn. Stat. § 504B.178 regarding Plaintiffs' security deposits.

232. As a direct result of MIMG's false assertion that the individual Plaintiffs owe these amounts, some individual Plaintiffs have had difficulty securing housing and have suffered actual damages.

233. Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Corey Dahl, Marsha Loving, and Heavenle' McDonald ask this Court to issue a declaratory judgment that Plaintiffs do not owe these amounts to MIMG.

**WHEREFORE**, Plaintiffs request an order and judgment against MIMG as follows:

1. Enjoining MIMG and its employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries, and all other persons acting in concert or participation with them, from engaging in deceptive practices and making false or misleading statements in violation of Minn. Stat. §§ 325F.69, subd. 1, and 325D.44.

2. Enjoining MIMG and its employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries,

and all other persons acting in concert or participation with them, from enforcing the provisions within their lease that cause confusion among tenants as to their rights, obligations, and remedies under the lease and are illegal under Minn. Stat. § 325G.31, subd. 1.

3. Reforming all residential lease agreements entered into by MIMG for property located within the State of Minnesota so that each lease conforms with the requirements of Minn. Stat. § 325G.31, subd. 1.

4. Enjoining Defendants and their employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries, and all other persons acting in concert or participation with them, from waiving or modifying the Covenants of Habitability, in violation of Minn. Stat. § 504B.161, subd. 1(b).

5. Enjoining Defendants and their employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries, and all other persons acting in concert or participation with them, from using a tenant lease that does not provide the required utility disclosures or notice to tenants in violation of Minn. Stat. § 504B.215, subd. 2(a).

6. Expunging MIMG's eviction actions against Plaintiffs Iris Bautista, Sara Kolstad, Jonah Aquino, Hannah Hekel, Antwan Loving, Kiona Adams, Marsha Loving, and Heavenle' McDonald, along with all previous, current, and future tenants who have been or will be evicted based on these unlawful lease provisions.

7. Rescinding the leases between MIMG and Plaintiffs Iris Bautista, Laura Hamersma, Sara Kolstad, Jonah Aquino, Jemicia Mitchell, Hannah Hekel, Antwan Loving, Kiona Adams, Marsha Loving, and Heavenle' McDonald.

8. Ordering a declaratory judgment that:

a. Plaintiff Iris Bautista does not owe MIMG \$5,633 or any other amount.

- b. Plaintiff Laura Hamersma does not owe MIMG \$3,033 or any other amount.
- c. Plaintiff Sara Kolstad does not owe MIMG \$6,764 or any other amount.
- d. Plaintiff Jonah Aquino does not owe MIMG \$4,000 or any other amount.
- e. Plaintiff Jemicia Mitchell does not owe MIMG \$1,000 or any other amount.
- f. Plaintiff Hannah Hekel does not owe MIMG \$8,541 or any other amount.
- g. Plaintiff Antwan Loving does not owe MIMG \$4,444 or any other amount.
- h. Plaintiff Kiona Adams does not owe MIMG \$2,886.28 or any other amount.
- i. Plaintiff Corey Dahl does not owe MIMG \$3,939.39 or any other amount.
- j. Plaintiff Marsha Loving does not owe MIMG \$1,232 or any other amount.
- k. Plaintiff Heavenle' McDonald does not owe MIMG \$4,058 or any other amount.

9. Awarding Plaintiff Iris Bautista damages related to unlawful assessment of single-meter utilities in the amount of \$386.70, plus \$819.83 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

10. Awarding Plaintiff Laura Hamersma damages related to unlawful assessment of single-meter utilities in the amount of \$862.92, plus \$2,700.64 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

11. Awarding Plaintiff Sara Kolstad damages related to unlawful assessment of single-meter utilities in the amount to be determined in discovery, plus damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

12. Awarding Plaintiff Jonah Aquino damages related to unlawful assessment of single-meter utilities in the amount to be determined in discovery, plus for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

13. Awarding Plaintiff Jemicia Mitchell damages related to unlawful assessment of single-meter utilities in the amount of \$725.49, plus \$2,593.66 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys'.

14. Awarding Plaintiff Hannah Hekel damages related to unlawful assessment of single-meter utilities in the amount to be determined in discovery, plus damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

15. Awarding Plaintiff Antwan Loving damages related to unlawful assessment of single-meter utilities in the amount to be determined in discovery, plus damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

16. Awarding Plaintiff Kiona Adams damages related to unlawful assessment of single-meter utilities in the amount of \$2,701.98, plus \$2,228.11 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

17. Awarding Plaintiff Corey Dahl damages related to unlawful assessment of single-meter utilities in the amount of \$1,057.20, plus \$4,143.75 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

18. Awarding Plaintiff Marsha Loving damages related to unlawful assessment of single-meter utilities in the amount of \$1,435.53, plus \$1,439.80 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

19. Awarding Plaintiff Heavenle' McDonald damages related to unlawful assessment of single-meter utilities in the amount of \$1,652.46, plus \$3,612.21 for damages related to MIMG's breach of Minn. Stat. § 504B.161, plus prejudgment interest, costs and attorneys' fees.

20. Awarding disgorgement and restitution of all monies wrongfully obtained by Defendants under the general equitable powers of this Court, Minn. Stat. § 8.31, and any other authority, for all persons injured by Defendants' acts as described in this Amended Complaint;

21. Awarding Plaintiffs their costs, including litigation costs and costs of investigation, and attorneys' fees as provided under Minnesota law, including Minn. Stat. § 8.31, subd. 3a, and any other authority.

22. Awarding Plaintiffs consequential damages resulting from, among other things, MIMG's breach of contract, including the costs of finding alternative housing after being unlawfully evicted.

23. Granting whatever other relief the Court deems just and proper.

Dated: May 4, 2022

/s/ Andrew J. Glasnovich

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**ACKNOWLEDGMENT**

The undersigned, on behalf of Plaintiffs, hereby acknowledges that costs, disbursements, and reasonable attorney and witness fees may be awarded pursuant to Minn. Stat. § 549.211, to the party against whom the allegations in this pleading are asserted.

Dated: May 4, 2022

*/s/ Andrew J. Glasnovich*  
\_\_\_\_\_  
Andrew J. Glasnovich (#0398366)