

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: OTHER CIVIL

State of Minnesota, by its Attorney General,  
Keith Ellison,Court File No. 62-CV-19-8885  
Hon. John H. Guthmann

Plaintiff,

**CONSENT JUDGMENT  
AND ORDER**

vs.

Journey Home Minnesota, d/b/a Journey Home  
USA, f/k/a Shoreview Area Housing Initiative,  
and Blake Huffman, individually,

Defendants.

WHEREAS, Plaintiff State of Minnesota, by its Attorney General, Keith Ellison (“State” or “AGO”), served and filed a Complaint against Journey Home Minnesota, d/b/a Journey Home USA, f/k/a Shoreview Area Housing Initiative (“JHM”) and against Blake Huffman (“Huffman”), individually, in this matter on December 16, 2019 (“Complaint”);

WHEREAS, JHM failed to answer the State’s lawsuit;

WHEREAS, Blake Huffman answered the State’s lawsuit on or about February 14, 2020;

WHEREAS, the State alleges that Huffman breached his fiduciary duties of care and loyalty to JHM while serving as a director, officer, and charitable trustee of the organization;

WHEREAS, the State alleges Huffman misused at least \$80,844.71 of JHM’s charitable assets while serving as a director, officer, and charitable trustee of the organization;

WHEREAS, Huffman’s actions and inactions have caused JHM’s charitable assets to be exposed to waste and impairment; and

WHEREAS, the State, Huffman, and JHM desire to resolve fully the claims set forth in the Complaint by this Consent Judgment and Order (“Consent Judgment”).

NOW, THEREFORE, the State, JHM, and Huffman hereby agree to entry of an order with the following terms and conditions:

### INJUNCTIVE RELIEF

1. Huffman, whether directly, indirectly, individually, representatively, or through or in combination with any other person or entity, is hereby permanently enjoined from the following conduct in Minnesota:

- (a) acting as a director, officer, member, employee, agent, or representative of a nonprofit organization, or otherwise receiving compensation from or acting for, in concert with, or on behalf of a nonprofit organization;
- (b) having access to or exercising any control over, managing, supervising, overseeing, or otherwise administering a nonprofit organization's finances, operations, or other affairs;
- (c) soliciting contributions from Minnesota donors, accepting or receiving contributions from Minnesota donors, or otherwise acting as a "professional fund-raiser" as the term is defined in Minnesota Statutes section 309.50, subdivision 6; or
- (d) engaging in any activity that results in having any control or responsibility for property held for a charitable purpose, or from otherwise acting as a "trustee" as the term is defined in Minnesota Statutes section 501B.35, subdivision 4.

2. For the purposes of this Consent Judgment, the following definitions apply:

- (a) "Contribution" shall have the meaning given the term by Minnesota Statutes section 309.50, subdivision 5.
- (b) "Director" shall have the meaning given the term by Minnesota Statutes section 317A.011, subdivision 7.
- (c) "Member" shall have the meaning given the term by Minnesota Statutes section 317A.011, subdivision 12.
- (d) "Nonprofit organization" shall mean the following: (i) any corporation governed by or organized under Minnesota Statutes chapter 317A, section 322C.1101, or equivalent laws in other states, and (ii) any organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3).

- (e) “Officer” shall have the meaning given the term by Minnesota Statutes section 317A.011, subdivision 15.
- (f) “Solicit” shall have the meaning given the term by Minnesota Statutes section 309.50, subdivision 10.

3. Within 120 days of the Court approving this Consent Judgment, JHM’s board of directors shall begin the dissolution process pursuant to Minnesota Statutes section 317A.721, wind up its remaining affairs, and adopt all necessary and appropriate resolutions to liquidate its remaining assets in accordance with applicable law. Upon the adoption of all necessary and appropriate resolutions, JHM’s board of directors, with all necessary cooperation, facilitation, and assistance from Huffman, shall liquidate all of JHM’s remaining assets. All net proceeds from such liquidation shall be deposited into an account monitored, facilitated, and held by counsel for JHM. JHM shall provide quarterly statements to the AGO for such account until its assets are transferred or conveyed to a Minnesota nonprofit organization. JHM shall transfer or convey the assets held in such account to a Minnesota nonprofit organization with a similar charitable purpose consistent with applicable law, including Minnesota Statutes 317A.701 through 317A.813 and 501B.31.

4. JHM, with all necessary cooperation, facilitation, and assistance from Huffman, shall continue to file any necessary documents and regulatory filings pursuant to applicable law in order to maintain JHM’s Minnesota nonprofit corporate status during the duration of Huffman’s payment term pursuant to Paragraphs 10 through 10(e) of this Consent Judgment. Within 90 days from the conclusion of Huffman’s payment term pursuant to Paragraph 10(e), JHM, with all necessary cooperation, facilitation, and assistance from Huffman, shall wind up any remaining affairs and adopt all necessary and appropriate resolutions to effectuate the dissolution of JHM in accordance with this Consent Judgment and applicable law, including

Minnesota Statutes sections 317A.701 through 317A.813, 501B.31, and chapter 309. In its Notice of Intent to Dissolve filed with the State pursuant to Minnesota Statutes section 317A.811, JHM shall designate a recipient(s) Minnesota nonprofit organization with a similar charitable purpose consistent with applicable law, including Minnesota Statutes 317A.701 through 317A.813 and 501B.31. As an attachment to its Notice of Intent to Dissolve, JHM shall submit to the State a true and accurate report of the charitable assets deposited into the account monitored, facilitated, and held by counsel for JHM that will be transferred or conveyed to the recipient Minnesota nonprofit organization upon JHM's dissolution.

5. Within 30 days of completing the formal dissolution process and transferring or conveying JHM's charitable assets to a Minnesota nonprofit organization pursuant to Minnesota Statutes section 317A.811, JHM, with all necessary cooperation, facilitation, and assistance from Huffman, shall provide documentation to the State reflecting the transfer or conveyance of assets. Upon the written request of the State, Huffman and JHM shall promptly provide additional documentation that the State, in its sole discretion, deems reasonably necessary to verify the transfer or conveyance of assets.

6. Huffman shall not have custody, control, or otherwise access or handle JHM's charitable assets, including any proceeds received from the liquidation of JHM's remaining assets and any funds disbursed to JHM pursuant to Paragraphs 3 and 11 of this Consent Judgment.

7. The State shall have all powers and authority specified by Minnesota Statutes sections 8.31, 317A.813, 501B.40, and all other authority otherwise available to it for purposes of investigating any suspected violations of this Consent Judgment and securing compliance with the terms of this Consent Judgment.

8. Huffman and JHM shall have a duty to fully, completely, truthfully, and promptly cooperate with the State in its compliance monitoring or investigation of any suspected violations of this Consent Judgment, including promptly providing information requested by the State.

9. JHM and Huffman are hereby enjoined from effecting any change in JHM's or any other entity's form of doing business, organizational identity, organizational structure, affiliations, or management composition as a method of avoiding the terms of this Consent Judgment. Huffman is further permanently enjoined from effecting any change in his ownership stake in, or management authority over, any entity in which he has such ownership stake or management authority as a method of, or if the effect is, avoiding the terms of this Consent Judgment. Huffman is further permanently enjoined from engaging in any conduct prohibited by this Consent Judgment through or in combination with a family member or any other person.

#### **MONETARY PAYMENT**

10. Based on Huffman's representations of his inability to pay the entire amount of eighty thousand, eight hundred and forty-four dollars, and seventy-one cents (\$80,844.71), judgment in the amount of sixty thousand dollars (\$60,000) is entered in favor of the State and against Huffman. Huffman shall further execute a Confession of Judgment for twenty thousand, eight hundred and forty-four dollars, and seventy-one cents (\$20,844.71). The State may file the Confession of Judgment pursuant to the terms of Paragraph 13 of this Consent Judgment rendering Huffman liable for the full amount of eighty thousand, eight hundred and forty-four dollars, and seventy-one cents (\$80,844.71)—\$60,000 plus \$20,844.71—if Huffman fails to fulfill the payment terms in Paragraphs 10(a) through 10(e), or if, after providing written notice to cure at the email address and address specified in Paragraph 28 as well as five (5) days from

the date of the notice to cure, the State determines that Huffman violated Paragraph 15 of this Consent Judgment. Huffman shall pay monetary relief to the State under Minnesota Statutes sections 8.31 and 501B.41 of sixty thousand dollars (\$60,000) according to the following schedule:

- (a) Four hundred dollars (\$400) on or before October 1, 2020, and then on or before the first day of each subsequent month for 11 additional months;
- (b) Seven hundred dollars (\$700) on or before October 1, 2021, and then on or before the first day of each subsequent month for 11 additional months;
- (c) One thousand dollars (\$1,000) on or before October 1, 2022, and then on or before the first day of each subsequent month for 11 additional months;
- (d) One thousand, three hundred dollars (\$1,300) on or before October 1, 2023, and then on or before the first day of each subsequent month for 11 additional months; and
- (e) One thousand, six hundred dollars (\$1,600) on or before October 1, 2024, and then on or before the first day of each subsequent month for 11 additional months.

11. The State shall have the option, at its sole discretion, to distribute monies it receives pursuant to this Consent Judgment in an equitable manner under applicable law, including to JHM. Monies the State receives pursuant to this Consent Judgment may also be used for settlement administration expenses, including payment to a settlement administrator. Any monies received pursuant to this Consent Judgment that are not distributed to JHM or used for settlement administration expenses shall be deposited into the State General Fund.

12. The monies to be paid under Paragraphs 10 through 10(e) shall be sent payable to the “Minnesota Attorney General’s Office” at the following address: Collin R. Ballou, Assistant Attorney General, Minnesota Attorney General’s Office, 445 Minnesota Street, Suite 1200, St. Paul, Minnesota 55101.

13. If Huffman does not comply with the payment requirements contained in Paragraph 10 pursuant to the terms of Paragraphs 10(a) through 10(e), Huffman consents to and authorizes the AGO to, *ex parte*, immediately file with the Court the Confession of Judgment signed in relation to this Consent Judgment pursuant to Minnesota Statutes section 548.22, thereby rendering Huffman immediately liable for the additional judgment amount of twenty thousand, eight hundred and forty-four dollars, and seventy-one cents (\$20,844.71). Huffman consents to the Court Administrator or Clerk of Court entering the Confession of Judgment forthwith without any additional notice or other action.

14. Huffman consents to and authorizes the State, at its sole discretion, to request and receive a copy of Huffman's credit report from Equifax, Experian, and TransUnion after the Clerk or Court has entered the Confession of Judgment against Huffman. Huffman acknowledges and admits that such procurement of credit reports constitutes a permissible purpose for a consumer reporting agency to furnish the reports under 15 U.S.C. § 1681b(a)(3)(A). Huffman further consents to and authorizes the State, at its sole discretion, to request and receive a copy of Huffman's personal banking records from any financial institution used by Huffman after the Clerk of Court has entered the Confession of Judgment against Huffman. Huffman acknowledges and admits that such authorization is sufficient for purposes of satisfying the authorization requirement of Minnesota Statute section 13A.02, subdivision 1(1).

15. It is a material condition of this Consent Judgment that Huffman's sworn financial statements and related documents submitted to the State in this matter (collectively, "Financial Representations") are truthful, accurate, and complete. The State's agreement to the suspension of part of the eighty thousand, eight hundred and forty-four dollars, and seventy-one cents

(\$80,844.71) amount referenced in Paragraph 10 is expressly premised upon the truthfulness, accuracy, and completeness of Huffman's Financial Representations. The State shall have the option of filing the Confession of Judgment executed pursuant to Paragraph 10 if it determines, at its sole discretion, that Huffman failed to disclose any material asset, materially misstated the value of any asset, or made any other material misstatement or omission in his Financial Representations, thereby making the additional judgment amount of twenty thousand, eight hundred and forty-four dollars, and seventy-one cents (\$20,844.71) immediately due as to Huffman.

#### **STAYED RELIEF**

16. Huffman shall be liable for an additional civil penalty of \$200,000 if the Court finds, after a motion by the State, and pursuant to a hearing as determined by the Court, that Huffman violated any provision of this Consent Judgment except Paragraphs 10 through 15. The State shall provide notice to Huffman of any alleged violation prior to seeking relief from the Court under this Paragraph and offer a reasonable opportunity for Huffman to respond to the State's allegations, which Huffman shall do in a timely manner. The release provided for in Paragraph 18 of this Consent Judgment does not prevent, restrict, or otherwise limit in any way the State from moving for, using any information and materials in its possession, and, should a violation be found, collecting the stayed civil penalty referenced in this Paragraph.

#### **GENERAL TERMS**

17. For purposes of this Consent Judgment, JHM and Huffman neither admit nor deny the allegations contained in the Complaint.

18. In consideration of the stipulated relief, the sufficiency of which is acknowledged, the State, upon approval of this Consent Judgment by the Court, hereby fully and completely



releases Huffman and JHM of any and all claims of the State under Minnesota Statutes sections 309.52, 317A.251, 317A.361, and 501B.41 arising out of the allegations in the State's Complaint in the above-captioned action, up to and including the date of the Court's approval of this Consent Judgment. The State through this Consent Judgment does not settle, release, or resolve any claim against Huffman or JHM by any person or entity not party to this Consent Judgment, or by any other person or entity involving any private causes of action, claims, or remedies, including but not limited to private causes of action, claims, or remedies provided for under Minnesota Statutes section 8.31. This release does not apply in any way to claims of any other Minnesota state agency, department, official, or division, including but not limited to the Minnesota Department of Revenue.

19. The claims, remedies, and relief provided for in this Consent Judgment are in addition to all other claims, remedies, and relief available to the State of Minnesota or the AGO.

20. Neither Huffman nor JHM shall state or imply, directly or indirectly, that the State of Minnesota or the AGO have approved of, condoned, or agree with any conduct, actions, or inactions by Huffman or JHM.

21. Nothing in this Consent Judgment shall relieve Huffman or JHM of their obligations to comply with all applicable Minnesota and federal laws and regulations, and court or administrative orders and directives.

22. If this Consent Judgment is violated, Huffman and JHM agree that any statute of limitations, statute of repose, or other time-related defense applicable to the subject matters of the operative Complaint in this action or this Consent Judgment, and any claims arising out of or relating thereto, are retroactively tolled from and after the date of this Consent Judgment.

23. In any subsequent civil litigation by or on behalf of the State, including a nondischargeability complaint or other proceeding to enforce the State's rights to any payment or monetary judgment under this Consent Judgment in bankruptcy court, the facts alleged in the Complaint shall and will be taken as true without the need for any further proof, evidence, or other showing.

24. The facts alleged in the Complaint establish all elements necessary to sustain an action by the State pursuant to 11 U.S.C. § 523(a)(2)(A), 11 U.S.C. § 523(a)(4), and/or 11 U.S.C. § 523(a)(7), and this Consent Judgment will have collateral estoppel and/or res judicata effects for such purposes. Huffman further agrees that the entirety of the award of restitution, disgorgement, and/or civil penalties under this Consent Judgment is nondischargeable debt under these statutes, and waives any right to contest or otherwise dispute the matter.

25. The person signing this Consent Judgment for JHM warrants that JHM has authorized the person to execute this Consent Judgment, that he or she executes this Consent Judgment in an official capacity that binds JHM and its successors, and that JHM has been fully advised by its counsel or has voluntarily forgone such advisement before entering into the Consent Judgment.

26. This Consent Judgment may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Consent Judgment may be executed by facsimile or electronic copy in any image format.

27. This Consent Judgment constitutes the full and complete terms of the agreement entered into by Huffman, JHM, and the State.

28. Service of notices or other documents required or permitted by this Consent Judgment shall be served on the following persons, or any person subsequently designated to receive such notices, by mail and email at the addresses identified below:

**As to the State of Minnesota:**

Collin R. Ballou, Assistant Attorney General  
Office of the Minnesota Attorney General  
445 Minnesota Street, Suite 1200  
St. Paul, Minnesota 55101  
collin.ballou@ag.state.mn.us

**As to Huffman and JHM:**

Jennifer Urban, Esq.  
Legal for Good, PLLC  
5353 Gable Dr., Suite 320  
St. Louis Park, MN 55416  
jenn@legalforgood.com

29. The failure of a party to exercise any rights under this Consent Judgment shall not be deemed to be a waiver of any right or any future rights.

30. This Consent Judgment, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

31. Nothing in this Consent Judgment shall be construed to limit the jurisdiction, power, or authority of the State of Minnesota or the AGO, except as expressly set forth herein in with regard to Huffman or JHM.

32. Each of the parties participated in the drafting of this Consent Judgment and agree that the Consent Judgment's terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.

33. Each signatory hereto shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Consent Judgment, including


that Huffman and JHM shall promptly comply with any reasonable request from the AGO for information regarding verification of Huffman and JHM's compliance with this Consent Judgment.

34. The AGO may file this Consent Judgment with the Court without further notice to Huffman or JHM, and the Court may approve and enter this Consent Judgment without further proceedings.

35. The Court shall retain jurisdiction of this matter for purposes of enforcing this Consent Judgment, notwithstanding any judgment that may be entered dismissing this proceeding with prejudice or otherwise. All signatories hereto further consent to the jurisdiction of the Court for the purposes of enforcing this Consent Judgment. The State may move the Court, as appropriate, to enforce or interpret the provisions of this Consent Judgment, or to maintain an action for other relief as it determines is proper for the enforcement of this Consent Judgment. The parties agree that, in any such motion or action brought by the State, the Court shall have authority to award all appropriate legal and equitable relief, including but not limited to specific performance.


KEITH ELLISON  
Attorney General  
State of Minnesota

Dated: 9/21/20

By:   
Collin R. Ballou  
Assistant Attorney General

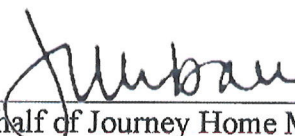
BLAKE HUFFMAN, individually

Dated: 9-7-20

By: 

JOURNEY HOME MINNESOTA, D/B/A  
JOURNEY HOME USA, F/K/A  
SHOREVIEW AREA HOUSING  
INITIATIVE

Dated: 9/16/2020

By:   
On behalf of Journey Home Minnesota, D/B/A  
Journey Home USA, F/K/A Shoreview Area  
Housing Initiative

Jennifer L. Urban  
Attorney-at-Law  
as authorized by the organization on 9/11/2020

**ORDER**

Having reviewed the terms of the foregoing Consent Judgment, which is incorporated herein by reference, and which the Court finds reasonable and appropriate, it is SO ORDERED.

Date: \_\_\_\_\_

\_\_\_\_\_  
Judge of District Court

**LET JUDGMENT BE ENTERED ACCORDINGLY.**