

STATE OF MINNESOTA
COUNTY OF HENNEPIN

DISTRICT COURT
FOURTH JUDICIAL DISTRICT

Case Type: Other Civil
(Consumer Protection)

Court File No. _____

In the Matter of Safe Haven Security Services, LLC

**PETITION FOR ORDER
APPROVING ASSURANCE OF
DISCONTINUANCE**

The State of Minnesota, by its Attorney General, Keith Ellison, hereby petitions the Court, pursuant to Minn. Stat. §§ 8.31, subd. 2b, for an Order approving the attached, fully-executed Assurance of Discontinuance between the State of Minnesota, through its Attorney General, Keith Ellison, and Safe Haven Security Services, LLC.

Dated: July 29, 2022

Respectfully submitted,

KEITH ELLISON
Attorney General
State of Minnesota

/s/ Noah Lewellen
NOAH LEWELLEN
Assistant Attorney General
Atty. Reg. No. 0397556

445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130
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ATTORNEYS FOR PLAINTIFF
STATE OF MINNESOTA

STATE OF MINNESOTA
 COUNTY OF HENNEPIN

DISTRICT COURT
 FOURTH JUDICIAL DISTRICT

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In the Matter of Safe Haven Security Services,
 LLC.

**ASSURANCE OF
 DISCONTINUANCE**

WHEREAS, this Assurance of Discontinuance (“Assurance”) is entered into pursuant to Minn. Stat. § 8.31, subd. 2b, between the State of Minnesota, through its Attorney General, Keith Ellison and Safe Haven Security Services, LLC. (“Safe Haven”);

WHEREAS, Safe Haven is a company in the business of selling home security monitoring services and equipment to consumers in Minnesota;

WHEREAS, the State issued a Civil Investigative Demand to Safe Haven pursuant to Minn. Stat. § 8.31 and following receipt of consumer complaints alleging conduct described herein;

WHEREAS Minnesota Statutes section 8.31 vests the Attorney General with authority to enforce laws prohibiting certain business practices, including by bringing a civil action in Minnesota state court and pursuing injunctive relief, restitution and/or disgorgement, a civil penalty of up to \$25,000 per violation, and recovery of the State’s attorneys’ fees and costs;

WHEREAS Minnesota Statutes section 8.31 further vests the Attorney General with the authority to accept an assurance of discontinuance to resolve its investigations, and such an assurance may include a stipulation for performance or remedies provided by section 8.31, and violation of such an assurance is punishable as contempt; and

WHEREAS, the Attorney General and Safe Haven (collectively, the “Parties”) desire to resolve fully this matter by entering into this Assurance;

NOW THEREFORE, the Attorney General and Safe Haven hereby agree to entry of an order with the following terms and conditions:

FACTUAL ALLEGATIONS

1. Safe Haven’s registered office is located at 3800 American Boulevard W #1500, #300-030, Bloomington, in Hennepin County, Minnesota.

2. The Attorney General alleges that, since at least January 1, 2016, Safe Haven has engaged in deceptive, misleading, and otherwise illegal practices in connection with over 3,800 door-to-door sales of home security monitoring services and equipment.

3. Specifically, the Attorney General alleges that:

- While Safe Haven is an authorized distributor of ADT products, the contract between ADT and Safe Haven explicitly states that Safe Haven’s “status shall in no way be deemed to be that of an agent or employee of ADT,” and the contract further stipulates that “[a]t no time shall [Safe Haven] hold itself out as ADT or represent, in any fashion or nature whatsoever, that [Safe Haven] is ADT or an agent of ADT.” Nevertheless, Safe Haven trained its sales force to tell consumers that they are “with ADT” and to prominently display a binder with an ADT logo and no Safe Haven markings.
- Safe Haven trained its sales force to imply that Safe Haven had approached the consumer on the recommendation of a trusted individual involved in the recent sale of the consumer’s home. Safe Haven trained its sales force to ask, “[a]t the time of closing, did anyone happen to mention that we might be stopping by?” and,

upon receiving a negative response, Safe Haven instructed its sales force to say, “Oh they didn’t?” and “they were supposed to.” Safe Haven instructed its sales representatives to deliver these lines “as if someone dropped the ball.” Safe Haven instructed its sales representatives to go through these lines in the absence of any recommendation from any individual involved in the sale of the home.

- When conducting door-to-door sales, Safe Haven did not train its sales force to display any identification card that would inform a consumer that the salesperson was from Safe Haven, and Safe Haven did not train its sales force to identify themselves as being from Safe Haven at any stage of the sales pitch; and
- Safe Haven did not train its sales force to verbally inform consumers of their right to cancel the purchase within three days.

4. The Attorney General further alleges that Safe Haven’s actions deceived consumers. The Attorney General has identified numerous Safe Haven customers who expressed that they had never heard of Safe Haven, and instead believed that they had purchased services and goods directly from ADT employees in door-to-door sales in Minnesota.

5. The Attorney General alleges that the above-described alleged conduct constitutes multiple, separate violations of Minnesota Statutes sections 325D.44, subd. 1(5) (representing that . . . a person has a sponsorship, approval, status, affiliation, or connection that the person does not have); and (13) (engaging in conduct that creates a likelihood of confusion or misunderstanding); as well as 325F.69, subd. 1 (making misrepresentations, misleading statements, and deceptive practices in connection with the sale of merchandise).

6. The Attorney General further alleges that the above-described alleged conduct constitutes multiple, separate violations of Minnesota Statutes section 325G.13 (requiring door-

to-door salespeople to clearly and expressly disclose the individual seller's name, the name of the business firm or organization the seller represents . . . [and requiring that] when the initial contact is made in person, the seller shall also show the potential buyer an identification card which clearly states the seller's name and the name of business or organization represented. The disclosures required by this section shall be made before asking any questions or making any statements except an initial greeting.”)

7. The Attorney General further alleges that the above-described alleged conduct constitutes multiple, separate violations of Minnesota Statutes section 325G.06, subd. 2 (requiring door-to-door sellers to inform the buyer orally of their right to cancel.)

8. Safe Haven denies all allegations of wrongdoing raised by the Attorney General. Pursuant to Minnesota Statutes section 8.31, subd. 2b, this Assurance “shall not be considered an admission of a violation for any purpose.”

9. The Attorney General has relied on Safe Haven's representations and warranties in its investigation and resolution of this matter.

INJUNCTIVE RELIEF

10. Safe Haven, including its principals, employees, agents, independent contractors, affiliates, as well as other persons in active concert or participation with Safe Haven who receive actual notice of this Assurance, shall comply with the following permanent injunctive terms and provisions within the state of Minnesota for compliance with Minnesota Statutes section 325D.44, subd. 1 and sections 325G.06-325G.14:

- a. Safe Haven may only represent itself to Minnesota consumers as an authorized ADT distributor/dealer;
- b. In any personal solicitation, as that term is defined by the HPSSA, Safe Haven representatives shall immediately identify themselves as being from Safe

Haven and shall prominently wear and display ID cards that affirmatively identify their employer as Safe Haven;

- c. Safe Haven shall provide consumers with verbal notification of consumers' right to cancel their contract without penalty or fee within three days of sale as required by Minnesota Statutes section 325G.08, subd. 1(a) – “sale” for the purposes of this paragraph means that the customer has signed the actual Agreement for service and have had the equipment installed;
- d. Safe Haven shall not misrepresent or falsely imply that it has a relationship with or referral from anyone involved in the homebuying process when no such relationship or referral exists;
- e. Safe Haven representatives shall not represent that they are not paid on commission if they are.

11. Safe Haven shall fulfill the terms of this Assurance, and all of its principals, employees, agents, independent contractors, affiliates, as well as other persons in active concert or participation with Safe Haven who receive actual notice of this order shall be bound by this Assurance as if they had signed this Assurance, so as to accomplish the full relief contemplated by this Assurance. Safe Haven shall not affect any change in its form of doing business as a method or means of attempting to avoid the requirements of this Assurance.

MONETARY PAYMENT

12. Within sixty (60) days of the filing of this Assurance with Hennepin County District Court, Safe Haven shall pay to the Attorney General the sum of \$125,000 (the “Settlement Sum”) pursuant to Minnesota Statutes section 8.31. The Settlement Sum may be distributed as restitution to consumers by the Attorney General in his sole discretion pursuant to Minnesota Statutes section 8.31. Monies from the Settlement Sum may be used for settlement administration expenses, including payment to a settlement administrator. Any remaining funds shall be remitted to the general fund of the State of Minnesota pursuant to Minnesota Statutes sections 8.31 and 16A.151.

13. The above-referenced Settlement Sum payment shall be made payable to the State of Minnesota and sent by check to Assistant Attorney General Noah Lewellen, Minnesota Attorney General's Office, 445 Minnesota Street, Suite 1200, St. Paul, Minnesota 55101.

STAYED CIVIL PENALTY

14. Safe Haven shall pay a stayed civil penalty of \$62,500 to the Attorney General upon application to a court of competent jurisdiction and a showing by the Attorney General in such court that Safe Haven has violated any of the terms of this Assurance and Order. Such court shall decide whether the stayed civil penalty shall be imposed and may hold an evidentiary hearing, if it deems such hearing necessary. The release in Paragraph 16 does not prevent the Attorney General from moving for, or collecting, the stayed civil penalty described in this Paragraph. Prior to filing any request for civil penalty, the Attorney General will give Safe Haven reasonable notice to allow it respond to and cure any alleged violation.

GENERAL TERMS

15. Nothing in this Assurance shall relieve Safe Haven of its obligation to comply with all applicable Minnesota and federal laws and regulations.

16. In consideration of the stipulated relief and contingent upon the Court's entry of this Assurance, the Attorney General, by execution of this Assurance, hereby fully and completely releases Safe Haven of any and all claims of the Attorney General under Minnesota Statutes section 325D.44, subdivision 1, 325F.69, subdivision 1, and 325G.08 connected with or arising out of the allegations contained in this Assurance, up to and including the date of this Assurance. The Attorney General through this Assurance does not settle, release, or resolve any claim against Safe Haven or any other person or entity involving any private causes of action, claims, and remedies, including, but not limited to, private causes of action, claims, or remedies provided for under Minn.

Stat. § 8.31. This release does not apply in any way to claims of any other Minnesota state agency, department, official, or division.

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

18. The person signing this Assurance for Safe Haven warrants that Safe Haven has authorized the person to execute this Assurance and that he or she executes this Assurance in an official capacity that binds Safe Haven and its successors.

19. This Assurance constitutes the full and complete terms of the agreement entered into by Safe Haven and the Attorney General.

20. The Parties agree that this Assurance, including any issues related to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

21. The Hennepin County District Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance. The Attorney General may make such application as appropriate to enforce or interpret the provisions of this Assurance or, in the alternative, maintain any action within his legal authority for such other and further relief as he determines is proper and necessary for the enforcement of this Assurance. The parties agree that, in any action brought by the Attorney General to enforce the terms of this Assurance, the Court shall have the authority to award equitable relief, including specific performance.

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

23. Nothing in this Assurance shall be construed to limit the power or authority of the State of Minnesota or the Attorney General except as expressly set forth herein.

24. Safe Haven agrees that the Stayed Civil Penalty in Paragraph 13 of this Assurance, if imposed by any court, represents a civil penalty owed to the State of Minnesota, is not compensation for actual pecuniary loss, and, therefore, is not subject to discharge under the Bankruptcy Code pursuant to 11 U.S.C. § 523(a)(7).

25. Safe Haven understands that if a Court of competent jurisdiction holds that Safe Haven has committed a violation of this Assurance, that such violation may subject Safe Haven to sanctions for contempt pursuant to Minn. Stat. § 8.31, subdivision 2b, and that the Attorney General may thereafter, in his sole discretion, initiate legal proceedings against Safe Haven for any and all violations of this Assurance.

26. On or before executing this Assurance, Safe Haven shall provide the Attorney General's Office its taxpayer identification number (TIN). Safe Haven understands that it may be subject to a penalty if it fails to provide the Attorney General's Office with its TIN pursuant to 26 C.F.R. 6723, 26 C.F.R. 6724(d)(3), and 26 C.F.R. 301.6723-1. Safe Haven shall also cooperate in the Office's completion of Internal Revenue Service Form 1098-F by providing the Attorney General's Office any additional necessary information it requests.

27. Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance.

28. Safe Haven shall not state or imply, directly or indirectly, that the State of Minnesota or the Attorney General have approved of, condoned, or agree with any conduct or actions by Safe Haven.

29. Safe Haven agrees that the Attorney General, without further notice to Safe Haven, may file this Assurance with the Hennepin County District Court on an *ex parte* basis, and that the Court may issue the Order below without further proceedings.

30. Service of notices required by this Assurance shall be served on the following persons, or any person subsequently designated by the parties to receive such notices:

Noah Lewellen, Assistant Attorney General
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 1200
St. Paul, Minnesota 55101

Safe Haven Security Services, LLC.
c/o Josh Browne, Chief Operating Officer
520 East 19th Ave.
North Kansas City, MO 64116

KEITH ELLISON
Attorney General
State of Minnesota

Date: July 28, 2022

By: s/ Noah Lewellen
Noah Lewellen
Assistant Attorney General

Date: 7-25-22

By: 
Josh Browne
Chief Operating Officer
Safe Haven Security Services, LLC

ORDER

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

Date: _____

JUDGE OF DISTRICT COURT

THERE BEING NO CAUSE FOR FURTHER DELAY, LET JUDGMENT BE ENTERED IMMEDIATELY.