

STATE OF MINNESOTA
COUNTY OF ST. LOUIS

DISTRICT COURT
SIXTH JUDICIAL DISTRICT

Case Type: Other Civil
(Charitable/Nonprofit Violations)

Court File No. _____

In the Matter of Borealis Art Guild

**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 George D. Andria and Georgia L. Andria.

Dated: July 23, 2025

Respectfully submitted,

KEITH ELLISON
Attorney General
State of Minnesota

/s/ Rick Linsk

RICK LINSK
Assistant Attorney General
Atty. Reg. No. 0388827

445 Minnesota Street, Suite 1400
St. Paul, Minnesota 55101-2131
(651) 757-1462 (Voice)
(651) 296-7438 (Fax)
rick.linsk@ag.state.mn.us

ATTORNEYS FOR PLAINTIFF STATE OF
MINNESOTA

STATE OF MINNESOTA
COUNTY OF ST. LOUIS

DISTRICT COURT
SIXTH JUDICIAL DISTRICT
Case Type: Other Civil
(Charitable/Nonprofit Violations)
Court File No. _____

In the Matter of Borealis Art Guild

**ASSURANCE OF
DISCONTINUANCE**

WHEREAS, this Assurance of Discontinuance (“Assurance”) is entered into pursuant to Minnesota Statutes section 8.31, subdivision 2b, between the State of Minnesota, through its Attorney General, Keith Ellison (“State” or “AGO”), and George D. Andria and Georgia L. Andria (collectively “the Andrias”);

WHEREAS, the AGO has authority to enforce Minnesota’s laws relating to charitable organizations, charitable trusts, and nonprofit corporations under state statutes and common law, including as *parens patriae*. See, e.g., Minn. Stat. §§ 8.31, 309.57, 317A.813, 501B.34, and 501B.40;

WHEREAS, Borealis Art Guild (“Borealis”) is a Minnesota nonprofit corporation organized under the Minnesota Nonprofit Corporation Act (the “Nonprofit Act”) (Minnesota Statutes chapter 317A); a soliciting charitable organization under the Minnesota Charitable Solicitation Act (Minnesota Statutes sections 309.50 to 309.61), and a Minnesota charitable trust under the Supervision of Charitable Trust and Trustees Act, Minnesota Statutes section 501B, with a registered office address of 2202 Second Avenue East, Hibbing, MN 55746–1908;

WHEREAS, the AGO and the Andrias desire to fully resolve the AGO's concerns regarding the lawfulness of their actions;

NOW THEREFORE, the Andrias hereby agree to entry of an Assurance of Discontinuance with the following terms and conditions:

ALLEGATIONS

1. The AGO states and alleges as follows:
2. On or about March 13, 2015, Borealis registered with the Minnesota Secretary of State's Office ("SOS") as a new nonprofit corporation under the Nonprofit Act.
3. On or around the same time, Borealis was granted exemption from federal income taxation as a charitable organization under Internal Revenue Code section 501(c)(3).
4. Borealis has described its mission as to "support a visible and vibrant art community in Hibbing and the Mid-Range area through education and encouragement of art and artists."
5. The Andrias founded Borealis. Borealis's registered office address is the same as the Andrias' home address in Hibbing.
6. Mr. Andria was Borealis's incorporator. At the nonprofit's inception, he was its "Chief Executive Officer/President." He has also been its treasurer.
7. Ms. Andria was Borealis's Chief Financial Officer/Treasurer at its inception. More recently, until December 5, 2024, she was its co-president.
8. Since November 2015, Borealis has been based in a building at 214 East Howard Street in Hibbing, Minnesota. From November 2015 until June 30, 2022, this property was owned by The Talus Group, a for-profit company created and owned by George and Georgia Andria.

9. Since 2017, Borealis has also used a building at 1901 7th Street East in Hibbing, Minnesota. From August 2, 2016 until August 6, 2024, this property was owned by G.D. Andria & Co., Inc., a for-profit company created and owned by George and Georgia Andria.

10. Borealis charitable assets were spent to perform construction and improvements to both buildings.

11. The construction and improvements at 1901 7th Street East involved installation and repairs to the building's heating and cooling systems, electrical work, plumbing services, roofing services, insulation, and window and doors. Per information from Borealis, the cost of these repairs and improvements totaled approximately \$138,934.

12. The spending at 214 East Howard Street involved industrial heaters, maintenance and repairs, and miscellaneous supplies. Per information from Borealis, the cost of these repairs and improvements totaled approximately \$8,500.

13. Borealis's board of directors did not comply with the requirements of Minnesota Statutes section 317A.255 regarding the expenses referenced above. Borealis did not review the expenses to determine if they were fair and reasonable to Borealis.

14. The expenses were not fair and reasonable to Borealis, as the nonprofit solely bore the cost of improvements and renovations that created a long-term benefit to the building's owners, who were Borealis's co-founders and co-presidents.

15. Borealis did not have a clear agreement in place with Talus Group, G.D. Andria & Co., Inc., or the Andrias regarding the construction and improvement expenses referenced above.

16. Borealis solicited contributions from persons in Minnesota in the form of grants and donations it sought and received and in fees it sought and received for services provided.

17. Borealis represented to donors and grantors that the funds provided would be used only for charitable purposes. However, the funds provided were also used to improve the Andrias' two buildings as described above and thus personally benefited the Andrias.

18. Borealis removed directors who asked questions about finances.

19. Georgia Andria, Borealis's other co-president along with her husband George, told a former employee and board member of the nonprofit that Borealis was "[her] company" and that she "owned" it.

20. The AGO alleges that the conduct generally described in this Assurance constitutes violations of, among other provisions, Minn. Stat. §§ 8.31, 309.52, 309.53, 317A.201, 317A.231, 317A.251, 317A.255, 317A.361, and 317A.461, and provides grounds for equitable relief under Minn. Stat. § 317A.751, subd. 5(4), (12).

21. This Assurance shall not be considered an admission by the Andrias of a violation or violations for any purpose.

MONETARY RELIEF

22. In restitution for breaches of their fiduciary duties and other Minnesota laws, and in consideration of the release included in the General terms below, the Andrias are jointly and severally liable for, and shall pay, \$138,934 to Borealis within 30 days following the date that this Assurance is approved by the Court.

INJUNCTIVE RELIEF

23. In addition to all other duties, powers, responsibilities, and obligations set forth under the Minnesota Nonprofit Corporation Act, Minnesota Charitable Solicitation Act, and Supervision of Charitable Trust and Trustees Act, the Andrias agree to and will, upon execution of this Assurance and at all times going forward:

- (a) Resign from the Borealis board and any other leadership position with Borealis, if they have not done so already;
- (b) Surrender control over Borealis's assets and financial and other accounts to the Borealis board of directors;
- (c) Turn over all passwords and other sensitive information to the board as well.
- (d) Not apply to be or serve as directors, officers, employees, independent contractors, or consultants of Borealis in the future;
- (e) Upon the written request of the AGO, promptly provide accurate, true, and complete information, documents, and data in a timely manner that the AGO, in its sole discretion, deems reasonably necessary to verify compliance with this Assurance.

24. Upon the date this Assurance is fully executed, the Andrias shall not, whether directly, indirectly, individually, representatively, or through or in combination with any other person or entity, engage in the following conduct in Minnesota:

- (a) form any new nonprofit corporation in Minnesota;
- (b) act as a director, officer, member, employee, agent, or representative of a nonprofit organization, or otherwise receive compensation from or acting for, in concert with, or on behalf of a nonprofit organization;
- (c) have access to or exercise any control over, manage, supervise, oversee, or otherwise administer a nonprofit organization's finances, operations, or other affairs;
- (d) solicit contributions from Minnesota donors, accept or receive contributions from Minnesota donors, or otherwise act as a professional fundraiser; or
- (e) engage 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.

25. So long as the above terms are adhered to, the Andrias may volunteer their services to Borealis.

GENERAL TERMS

26. The Andrias understand that, after the date of the approval of this Assurance by the Court, a violation of this Assurance may subject them to sanctions for contempt pursuant to

Minnesota Statutes section 8.31, and the AGO may thereafter, in its sole discretion, initiate legal proceedings against them for any and all violations of this Assurance.

27. In consideration of the stipulated relief, the sufficiency of which is acknowledged, the AGO, upon approval of this Assurance by the Court, hereby fully and completely releases the Andrias from any and all claims of the AGO under Minnesota Statutes sections 8.31, 317A.201, 317A.231, 317A.251, 317A.255, 317A.361, and 317A.461, arising out of the allegations contained in this Assurance, up to and including the date of this Assurance. The AGO through this Assurance does not settle, release, or resolve any claim against 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 Minnesota Statutes section 8.31. **This release does not apply in any way to claims of any other State of Minnesota agency, department, official, or division, including but not limited to the Minnesota Department of Revenue. The AGO through this Assurance does not settle, release, or resolve any claim against any individual, entity, or person other than the Andrias, including against any current or former board members, officers, employees, or other agents of the Andrias.**

28. The Andrias shall not state or imply, directly or indirectly, that the State of Minnesota or the AGO has approved of, condones, or agrees with any conduct, actions, or inactions by them.

29. Nothing in this Assurance shall relieve the Andrias of their obligations to comply with all applicable Minnesota and federal laws and regulations, and court or administrative orders and directives.

30. The Andrias, after having an opportunity to decide whether to and/or consult with counsel, knowingly, intelligently, and voluntarily waive their First Amendment rights to the extent, if at all, such rights are inconsistent with any of the terms of this Assurance.

31. If this Assurance is violated, the Andrias agree that any statute of limitations, statute of repose, or other time-related defense applicable to the subject matters of the allegations in this Assurance, and any claims arising out of or relating thereto, are retroactively tolled from and after the date of this Assurance.

32. The persons signing this Assurance warrant that they have been fully advised by their counsel or have voluntarily forgone such advisement before entering into the Assurance.

33. 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.

34. This Assurance constitutes the full and complete terms of the agreement entered into by the Andrias and the AGO.

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

As to the AGO:

Rick Linsk, Assistant Attorney General
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 1200
St. Paul, Minnesota 55101
rick.linsk@ag.state.mn.us

As to the Andrias:

Brendan M. Kenny
Hellmuth & Johnson
8050 West 78th Street
Edina, MN 55439
bkenny@hjlawfirm.com

36. 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.

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

38. Nothing in this Assurance 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 the Andrias.

39. The AGO shall have all powers and remedies specified by Minn. Stat. §§ 8.31, 309.553, 309.57, 317A.813, 501B.40, 501B.41, and all other authority otherwise available to it for purposes of investigating and remedying any violations of this Assurance.

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

41. Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance, including that the Andrias

shall promptly comply with any reasonable request from the AGO for information regarding verification of their compliance with this Assurance.

42. The AGO may file this Assurance with the Court without further notice to the Andrias, and the Court may approve of and enter this Assurance *ex parte* and without further proceedings.

43. The Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance, and all signatories hereto consent to the jurisdiction of the Court for the purposes of enforcing this Assurance.

KEITH ELLISON
Attorney General
State of Minnesota

Dated: 07/23/2025

By: /s/ Rick Linsk
Rick Linsk
Assistant Attorney General

Dated: 7/11/2025

By: Georgia L. Andria
Georgia L. Andria, individually

By: Georgia L. Andria
George D. Andria, individually
By Georgia L. Andria, Power of Attorney for
George D. Andria

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

LET JUDGMENT BE ENTERED ACCORDINGLY.