

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 Borealis Art Guild, a Minnesota Nonprofit Corporation.

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

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ATTORNEYS FOR PLAINTIFF STATE OF  
MINNESOTA

STATE OF MINNESOTA  
COUNTY OF ST. LOUIS

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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 Borealis Art Guild (“Borealis”);

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 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 Borealis desire to fully resolve the AGO’s concerns regarding the lawfulness of Borealis’s actions;

NOW THEREFORE, Borealis hereby agrees 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. George D. Andria ("Mr. Andria") and Georgia L. Andria ("Ms. Andria") (collectively "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' buildings as described above and thus personally benefited the Andrias.

18. Borealis removed directors who asked questions about its 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. Borealis failed to provide a director with financial statements in response to her repeated requests over a period of five years, in violation of Minn. Stat. § 317A.461, subd. 3.

21. Borealis did not register with the AGO, as required for most nonprofit organizations formed in Minnesota or soliciting funds in Minnesota. Nor did Borealis file annual reports with the AGO.

22. Borealis's board failed to oversee the Andrias. The board failed to manage Borealis, in violation of Minn. Stat. § 317A.201.

23. 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).

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

#### **INJUNCTIVE RELIEF**

25. 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, Borealis Art Guild agrees to and will, upon execution of this Assurance and at all times going forward:

- (a) Maintain and strictly comply with appropriate bylaws, policies, and procedures, and with Minnesota and federal law, including but not limited to fiduciary duties, conflict-of-interest requirements, and registration and reporting requirements;

- (b) Ensure that Borealis's charitable assets are not used for the private benefit of any individual or for-profit organization;
- (c) Follow the procedures set forth in Minnesota Statutes section 317A.255 restricting and imposing conditions on transactions with related parties;
- (d) Require the board to address any conflicted transactions and take any corrective action as deemed necessary;
- (e) Require that any board member(s) with an interest in a transaction, as defined by Minn. Stat. § 317A.255, leave the discussion on such transaction and recuse themselves from voting on the transaction;
- (f) Maintain detailed, accurate books and records of the nonprofit's finances as required under Minnesota Statutes sections 309.54 and 317A.461;
- (g) Regularly schedule and attend board meetings, have sufficient knowledge of and familiarity with the operations and affairs of Borealis, and act consistently with the fiduciary duties and other standards of conduct imposed on directors and officers of nonprofit organizations as set forth in applicable law, including the Minnesota Nonprofit Corporation Act (Minn. Stat. ch. 317A), the Minnesota Charitable Solicitation Act (Minn. Stat. ch. 309), the Minnesota Supervision of Charitable Trusts and Trustees Act (Minn. Stat. § 501B.31-45), and common law;
- (h) Ensure that the entire board is aware of and has access to all financial accounts, including regular review of account statements and expenses. *See* Minn. Stat. § 317A.461, subd. 2.
- (i) Discuss all transactions that raise concerns at board meetings, keep unambiguous and accurate meeting minutes to document such discussions, and vote on how to handle these transactions.
- (j) Ensure that funds donated or granted to Borealis for specific purposes are segregated and tracked separately;
- (k) Take reasonable steps to ensure that none of Borealis's monies or other assets are expended or otherwise used for an improper purpose, including a purpose in violation of section 501(c)(3) of the Internal Revenue Code, Minnesota Statutes sections 501B.31-45, or other applicable laws;
- (l) Ensure all directors and officers obtain sufficient training to apprise them of their duties under Minnesota law;

- (m) Require Borealis to create contracts/agreements for any transactions with outside entities, and review them regularly;
- (n) Review Borealis's records to determine whether the organization owes money to any past employees or artists;
- (o) Review IRS Forms 990 for accuracy and amend any IRS Forms 990 that contain inaccurate information;
- (p) Ensure that Mr. Andria and Ms. Andria resign from the Borealis board;
- (q) Elect new directors and officers in place of Mr. Andria and Ms. Andria;
- (r) Not appoint Mr. Andria or Ms. Andria to the Borealis board in the future;
- (s) No longer have Mr. Andria or Ms. Andria serve Borealis in any officer, director, employee, independent contractor, consultant, or as a representative of the organization;
- (t) Within 60 days of the date the court approves this assurance, separate Mr. Andria and Ms. Andria from access to Borealis's assets and financial and other accounts, taking reasonable steps to secure those assets and accounts; and
- (u) 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.

26. So long as the above terms are adhered to, as well as the terms of a separate Assurance with the Andrias, then the Andrias may continue to volunteer their services to Borealis.

### **GENERAL TERMS**

27. Borealis understands that, after the date of the approval of this Assurance by the Court, a violation of this Assurance may subject it to sanctions for contempt pursuant to Minnesota Statutes section 8.31, and the AGO may thereafter, in its sole discretion, initiate legal proceedings against Borealis for any and all violations of this Assurance.

28. 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 Borealis 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 Borealis 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 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 Borealis, including against any current or former board members, officers, employees, or other agents of Borealis.**

29. Borealis 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 Borealis.

30. Nothing in this Assurance shall relieve Borealis of its obligations to comply with all applicable Minnesota and federal laws and regulations, and court or administrative orders and directives.

31. Borealis, after having an opportunity to decide whether to and/or consult with counsel, knowingly, intelligently, and voluntarily waives its First Amendment rights to the extent, if at all, such rights are inconsistent with any of the terms of this Assurance.

32. If this Assurance is violated, Borealis agrees 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.



33. The person signing this Assurance for Borealis warrants that its board of directors has authorized the person to execute this Assurance, that he or she executes this Assurance in an official capacity that binds Borealis and its successors, and that Borealis has been fully advised by its counsel or has voluntarily forgone such advisement before entering into the Assurance.

34. 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.

35. This Assurance constitutes the full and complete terms of the agreement entered into by Borealis and the AGO.

36. 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 Borealis Art Guild:**

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

37. 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.

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

39. 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 Borealis.

40. 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.

41. 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.

42. 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 Borealis shall promptly comply with any reasonable request from the AGO for information regarding verification of Borealis's compliance with this Assurance.

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

44. 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.

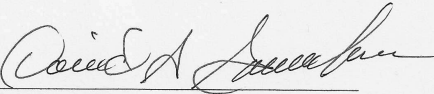
KEITH ELLISON  
Attorney General  
State of Minnesota

Dated: 07/23/2025

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

BOREALIS ART GUILD

Dated: 7.9-25

By:   
Dave Samuelson  
President, Borealis Art Guild  
On behalf of Borealis Art Guild

**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.**

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**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.**