

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Other Civil

Court File No. \_\_\_\_\_

In the Matter of HW Holdings Cooperative Inc.,  
d/b/a Deka Lash**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, by and through its Attorney General, Keith Ellison (“Attorney General”), and HW Holdings Cooperative Inc., d/b/a Deka Lash (“Deka Lash”);

WHEREAS the Attorney General is authorized under Minnesota Statutes chapter 8 (Minn. Stat. § 8.31), the Minnesota Fair Labor Standards Act (Minn. Stat. § 177.45); the Payment of Wages Act (Minn. Stat. § 181.1721), and the Uniform Deceptive Trade Practices Act (Minn. Stat. § 325D.43, *et seq.*), and has common law authority, including *parens patriae* authority, to enforce Minnesota’s laws related to employment and deceptive trade practices;

WHEREAS HW Holdings Cooperative Inc., d/b/a Deka Lash (“Deka Lash”), is a corporation organized under the laws of Minnesota with a registered office address at 8230 Lori Lane, Saint Paul, MN 55125;

WHEREAS, the Attorney General alleges that Deka Lash’s use of Training Reimbursement Agreements constituted a deceptive trade practice in violation of Minnesota Statutes section 325D.44; and

WHEREAS, the Attorney General and Deka Lash (collectively, the “Parties”) desire to resolve fully this matter by this Assurance;

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

### **DEFINITIONS**

A. “Effective Date” shall mean the date on which the Court signs the Order approving this Assurance of Discontinuance.

B. “Deka Lash” means HW Holdings Cooperative Inc., which operates under the trade name Deka Lash. The term “Deka Lash” also includes all present and former directors, officers, members, managers, and agents of HW Holdings Cooperative Inc.

C. “Training Reimbursement Agreement” means any agreement which obligates an employee to pay the employer for any cost of training if the employee leaves employment within a specified time frame.

### **FACTUAL ALLEGATIONS**

1. Deka Lash is a beauty salon that provides eyelash extensions and related products and services.

2. In June 2025, the Attorney General received a report regarding Deka Lash’s studio located at 9140 Hudson Road, Suite 510, Woodbury, MN 55125.

3. The report indicated that Deka Lash presented new employees with a Training Reimbursement Agreement on their first day of employment. According to the report, the Training Reimbursement Agreement gave Deka Lash the right to require employees to reimburse Deka Lash for the costs incurred providing its mandatory onboarding training (“Initial Lash Training”) if an employee left employment within a specified period of time. The report also alleged that Deka Lash employees held existing licenses from the Minnesota Board of Cosmetology and were

legally permitted to perform eyelash extensions and related services at the start of employment with Deka Lash.

4. In response to this information, the Attorney General issued a civil investigative demand (“CID”) to Deka Lash pursuant to Minn. Stat. § 8.31, subd. 2.

5. Deka Lash’s response to the Attorney General’s CID confirmed that Deka Lash presented employees with a document labeled “Training Reimbursement Agreement” on their first day of employment. The document stated that Deka Lash agreed to pay for the employee to attend Deka Lash’s mandatory “Initial Lash Training” to “enhance Employee’s ability to provide high quality service to Employer’s customers.” The Training Reimbursement Agreement stated that “tuition” for the training was \$3,000, but “[i]n consideration of paying for Employee to attend the Training without any upfront payment” the employee agreed to repay 100% of the training costs if the employee left before 180 days and 50% of training costs if the employee left between 181 and 365 days of employment. The agreement allowed Deka Lash to require repayment of training costs regardless of whether the employee voluntarily resigned or had their employment terminated by Deka Lash.

6. Deka Lash’s response to the CID revealed that its internal training consisted of online training modules, customer service scripts, information about Deka Lash products and customer membership programs, and hands-on practice on models until a “Corporate Trainer” or “Certified Studio Trainer” deemed the employee to be “certified” per the franchisor’s brand standards. Deka Lash employees were required to complete Initial Lash Training before “taking paying clients.”

7. Under Minnesota Statutes section 181.645, employers are prohibited from requiring an employee to pay for the expenses of training unless the training “is required to obtain

or maintain a license, registration, or certification for the employee.” Minn. Stat. § 181.645. All Deka Lash employees who signed the Training Reimbursement Agreement had an existing license—such as esthetician or eyelash technician—issued by the Minnesota Board of Cosmetology, and thus they were legally permitted to practice at the time they started working for Deka Lash. Rather than fulfilling a legal requirement, Deka Lash’s internal training was specific to its product offerings and designed to ensure that brand standards were upheld. According to Deka Lash’s CID response, the Training Reimbursement Agreement was used “only in order to prevent” employees from “choos[ing] to work for a competitive business” after completing the training.

8. At least five (5) Deka Lash employees signed the Training Reimbursement Agreement. As detailed below, the agreements executed by these employees purported to provide Deka Lash with the current right to require repayment of \$3,000 in cumulative training costs:

<b>Employee</b>	<b>Date Agreement Executed</b>	<b>End Date of Agreement</b>	<b>Current Debt Owed Under Agreement</b>
Employee A	09/03/2024	09/03/2025	N/A
Employee B	09/03/2024	09/03/2025	N/A
Employee C	09/03/2024	09/03/2025	N/A
Employee D	01/06/2025	01/06/2026	\$1,500
Employee E	03/04/2025	03/04/2026	\$1,500

9. Although the Training Reimbursement Agreement represented that “tuition for any training” was \$3,000, Deka Lash did not pay this amount in tuition for the training of any employee.

10. Deka Lash’s Training Reimbursement Agreement is unenforceable as a matter of law because it obligates employees to pay for the expenses of training in a manner impermissible

under Minnesota Statutes section 181.645. Deka Lash did not disclose to or otherwise inform employees that its Training Reimbursement Agreement was unenforceable under Minnesota law.

11. The Attorney General alleges that Deka Lash's use of the Training Reimbursement Agreement described in this Assurance constituted an unfair method of competition, an unfair or unconscionable act or practice, and/or a deceptive trade practice under Minnesota Statutes section 325D.44.

### **REPRESENTATIONS AND WARRANTIES**

12. On July 7, 2025, Deka Lash produced a list to the Attorney General identifying, among other things, all employees who have been subject to a Training Reimbursement Agreement since January 1, 2024, and the amount deducted from any employee wages for any claimed indebtedness to Deka Lash. Deka Lash represents and warrants that the list is a complete and accurate list of all employees who have been subject to a Training Reimbursement Agreement since January 1, 2024, and that Deka Lash made no deductions from any employee wages for any claimed indebtedness pursuant to a Training Reimbursement Agreement. The Attorney General relies upon Deka Lash's representations and warranties in its investigation and resolution of this matter.

### **INJUNCTIVE RELIEF**

13. Deka Lash, including its principals, officers, directors, managers, employees, agents, servants, independent contractors, affiliates, subsidiaries, successors, and those in active concert or participation with it who receive actual notice of this Order, shall comply with the following permanent injunctive terms and provisions:

- a. Deka Lash shall not ask or require an employee to sign a Training Reimbursement Agreement unless the following conditions are all met:

- i. The training subject to the Training Reimbursement Agreement is required for the employee to obtain or maintain a license, registration, or certification issued by a state licensing body or other government entity;
  - ii. Entering into the Training Reimbursement Agreement is not a condition of employment for the employee;
  - iii. The employee is informed orally and in writing before signing the Training Reimbursement Agreement that entering into the agreement is completely voluntary and not a condition of employment;
  - iv. Deka Lash's recovery under the Training Reimbursement Agreement is limited to its actual costs incurred due to the training; and
  - v. Deka Lash's recovery under the Training Reimbursement Agreement would not be in violation of Minnesota Statutes section 177.24.
- b. Deka Lash will not seek to recoup, collect (directly or indirectly), or bring an action for judgment relating to any existing Training Reimbursement Agreement.
- c. Within seven (7) days of the Effective Date of this Assurance, Deka Lash will provide written notification by sending an email to all current employees subject to a Training Reimbursement Agreement that the employee is released from any obligations under the agreement and that Deka Lash will not seek to recoup, collect (directly or indirectly), or bring an action for judgment relating to the Training Reimbursement Agreements.
- d. Within fourteen (14) days of the Effective Date of this Assurance, Deka Lash will provide written notification by sending an email to the last known email address of all former employees who signed a Training Reimbursement Agreement and left within their first 365 days of employment that the former employee is released from any obligations under the Training Reimbursement Agreement and that Deka Lash will not seek to enforce the Agreement. If any such email is returned as

undeliverable, Dekalash shall mail written notice to the former employee's last known mailing address as specified by the Attorney General.

- e. Within twenty-one (21) days of the Effective Date of this Assurance, Dekalash will provide the Attorney General with a copy of each notification sent pursuant to paragraph 13(c) or 13(d).
- f. Dekalash will not retaliate or discriminate against any current or former employee because of the filing of a complaint with the Attorney General or other government agency, giving testimony or assistance to the Attorney General or other government agency, or participation in any manner in any investigation or proceeding by the Attorney General or other government agency.

14. Dekalash shall fulfill the terms of this Assurance, and all of its subsidiaries and successors shall be bound by this Assurance as if they had signed it, so as to accomplish the full relief contemplated by this Assurance. Dekalash shall not affect any change in its form of doing business, organizational identity, organizational structure, affiliations, ownership, or management composition as a method or means of attempting to avoid the requirements of this Assurance.

#### **STAYED CIVIL PENALTY**

15. Dekalash shall pay a stayed civil penalty of \$10,000 to the Attorney General upon application to the Court and a showing by the Attorney General that Dekalash has violated any of the terms of this Assurance. The Court shall decide whether the civil penalty shall be imposed, upon a motion by the Attorney General, and after an evidentiary hearing, if the Court 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.

## RELEASE

16. In consideration of the stipulated relief, the sufficiency of which is acknowledged, and contingent upon the Court's entry of an order approving this Assurance, the Attorney General, by execution of this Assurance, hereby fully and completely releases Deka Lash of any and all claims of the Attorney General under Minn. Stat. § 325D.44 connected with or arising out of the allegations contained in this Assurance up to and including the date of the Effective Date of this Assurance.

17. The Attorney General, through this Assurance, does not settle, release, or resolve any claim against Deka Lash 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. The Attorney General's release in this Assurance 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 Labor and Industry.

## GENERAL TERMS

18. *No Effect on Other Laws.* Nothing in this Assurance shall relieve Deka Lash of its obligations to comply with all applicable Minnesota and federal, local, or tribal laws and regulations.

19. *Non-admission of liability.* This Assurance is neither an admission nor denial of liability by Deka Lash.

20. *Execution.* 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.



21. *Authority to Bind.* The person signing this Assurance for Dekka Lash warrants that s/he is authorized to execute this Assurance and does so in an official capacity that binds Dekka Lash.

22. *Complete Agreement.* This Assurance constitutes the full and complete terms of the agreement entered into by Dekka Lash and the Attorney General.

23. *Filing.* Dekka Lash agrees that, in accordance with Minn. Stat. § 8.31, subd. 2b, the Attorney General, without further notice to Dekka Lash, may file this Assurance with the Ramsey County District Court on an *ex parte* basis, and that the Court may issue the Order below without further proceedings.

24. *Retained Jurisdiction, Enforcement, and Equitable Relief.* The Ramsey County District Court shall have 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.

25. *Notices.* 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:

For the Minnesota Attorney General:

Paul A. Dimick, Assistant Attorney General  
Office of the Minnesota Attorney General  
445 Minnesota Street, Suite 600-2125  
St. Paul, Minnesota 55101  
paul.dimick@ag.state.mn.us

For Dekalash:

Yubo Huang  
8230 Lori Lane  
Saint Paul, MN 55125-7607  
yhuang@dekalash.com

If mail or email is returned or indicated as undeliverable, notice on the Attorney General shall be made to the Manager of the Attorney General's Wage Theft Division, or any successor division that is responsible for civil enforcement of Minnesota's employment laws.

26. *Notifying Participating Persons.* Dekalash shall notify its principals, officers, directors, agents, servants, employees, independent contractors, parents, affiliates, subsidiaries, successors; and any other person in active concert or participation with the company of its obligations, duties, and responsibilities imposed on them by this Assurance.

27. *Non-Waiver.* 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.

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

29. *Non-limitation on Attorney General Authority.* 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.

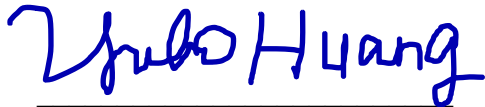
30. *Attorney General Non-approval of Dekalash's Actions.* Dekalash shall not state or imply, directly or indirectly, that the State of Minnesota or the Attorney General have approved of, condone, or agree with any conduct or actions by Dekalash.

31. *IRS Form 1098-F Not Required.* The Parties agree that IRS Form 1098-F (Fines, Penalties, and Other Amounts) need not be filed related to this Assurance, because the aggregate amount required to be paid pursuant to this matter does not equal or exceed \$50,000.

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

Dated: 9/19/2025

Deka Lash



Yubo Huang

Dated: September 22, 2025

KEITH ELLISON  
Attorney General  
State of Minnesota

/s/ Paul A. Dimick

Paul A. Dimick  
Assistant Attorney General  
445 Minnesota Street, Suite 600  
St. Paul, Minnesota 55101-2125  
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*Attorney for State of Minnesota*

**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.