

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Other Civil

Court File No. _____

In the Matter of Southern Escape Ventures
Incorporated, 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 Southern Escape Ventures Incorporated, 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 Southern Escape Ventures Incorporated d/b/a Deka Lash (“Deka Lash”) is a corporation organized under the laws of Minnesota with a registered office address at 8149 Pennsylvania Circle, Bloomington, MN 55438;

WHEREAS, the Attorney General alleges that Deka Lash utilized Training Reimbursement Agreements and deducted wages in a manner that violated Minn. Stat § 181.645 (Unlawful Training Expenses), Minn. Stat § 181.79 (Unauthorized Deductions), Minn. Stat

§ 181.13–.14 (Prompt Payment of Wages); Minn. Stat § 177.24 (Minimum Wage); and Minn. Stat § 325D.44 (Deceptive Trade Practices); 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 Southern Escape Ventures Incorporated, 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 Southern Escape Ventures.

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. In 2024, the Attorney General received a complaint from a former Deka Lash employee who had worked as a lash artist at Deka Lash’s studio located at 574 Prairie Center Drive #110, Eden Prairie, MN 55344.

2. The complaint from the former Deka Lash employee indicated that when she began employment with Deka Lash, she signed a contract requiring her to pay Deka Lash \$3,000 if she left employment within 180 days and \$1,500 if she left employment within a year. The payment was purportedly to reimburse Deka Lash for the costs incurred providing its onboarding training (“Initial Lash Training”). The employee also alleged that after she resigned approximately two

months into her employment, Deka Lash withheld her final paycheck and sent her an invoice to recoup the remaining \$3,000 training debt.

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

4. 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 the “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 required repayment of training costs regardless of whether the employee voluntarily resigned or had their employment terminated by Deka Lash.

5. Deka Lash required the employees to sign the Training Reimbursement Agreement within 1–2 days to remain employed at Deka Lash.

6. According to Deka Lash’s response to the CID, the Initial Lash Training consisted of online training modules, an orientation on the employee’s first day, a four-hour video conference call with Deka Lash’s franchisor, and hands-on practice on models until the franchisor deemed the employee to be “certified” per the franchisor’s brand standards.

7. 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. The Attorney General alleges that Deka Lash violated Minnesota Statutes section 181.645 each time it shifted the costs of the Initial Lash Training onto employees because such training was not "required to obtain or maintain a license, registration, or certification for the employee or prospective employee." Minn. Stat. § 181.645.

8. At least ten (10) Deka Lash employees signed the Training Reimbursement Agreement. As detailed in paragraph 9 below, in at least four (4) instances, Deka Lash withheld the entirety or a portion of the final paycheck of an employee to recoup debt Deka Lash alleged the employee owed due to the Training Reimbursement Agreement. In at least three (3) instances, Deka Lash demanded additional repayment from the employee beyond the amount withheld from the employee's final paycheck.

9. Deka Lash used the Training Reimbursement Agreement to deduct from or withhold employees' entire final paychecks in the following instances:

Employee	Date Agreement Executed	End Date of Employment	Amount Withheld from Final Paycheck	Additional Debt Demanded
Employee A	05/22/23	09/16/23	\$100	\$1,400
Employee B	08/07/23	09/16/23	\$750 ¹	\$0
Employee C	05/22/23	07/15/23	\$288.52	\$1,211.48
Employee	05/21/24	07/18/24	\$369.20	\$2,630.80

¹ After Employee B resigned effective September 16, 2023, Deka Lash withheld \$750 from her final paycheck issued on the next regular payday on September 22, 2023. After a series of emails in which Employee B demanded her wages owed and then escalated the matter to Deka Lash's franchisor, Deka Lash finally paid Employee B the remaining \$750 in wages owed on October 6, 2023. Deka Lash's payment to Employee B was not within the time limits required by Minnesota Statutes section 181.14.

² Deka Lash paid Employee D only \$1,234.16 in gross wages during her two months of employment. Thus, Employee D earned less than half of her total \$3,000 training debt to Deka Lash.

10. The Attorney General alleges that all deductions listed in paragraph 9 are unlawful deductions under Minnesota Statutes section 181.79, which prohibits employers from making “any deduction, directly or indirectly, from the wages due or earned by any employee...to recover any other claimed indebtedness running from employee to employer, unless the employee, after the loss has occurred or the claimed indebtedness has arisen, voluntarily authorizes the employer in writing to make the deduction.” The statute further requires that “[a]ny authorization for a deduction shall set forth the amount to be deducted from the employee's wages during each pay period.” Minn. Stat. § 181.79.

11. In or around October 2023, Deka Lash updated its Training Reimbursement Agreement to include the following language: “Employer reserves the right to deduct tuition reimbursement from final paycheck upon separation from Employer.” Of the employees listed in paragraph 9, only Employee D signed a Training Reimbursement Agreement containing this additional sentence. The Attorney General alleges that such language is not sufficient to comply with Minnesota Statutes section 181.79 because the employee did not give voluntary written authorization “after the loss has occurred or the claimed indebtedness has arisen.” Further, Deka Lash did not comply with the statutory requirement that any authorization for a deduction “shall set forth the amount to be deducted from the employee’s wages during each pay period.” Minn. Stat. § 181.79 subd. 1(a).

12. In summary, between September 2023 and July 2024, Deka Lash made four deductions from employees’ pay without first obtaining the affected employees’ voluntary written authorization after the claimed indebtedness had arisen. The amount of these unlawful deductions totaled \$1,507.72. Because Deka Lash eventually paid Employee B the unlawfully deducted

amount (\$750), the remaining amount of wages owed due to the unlawful deductions totals \$757.72.

13. The Attorney General further alleges that each deduction listed in paragraph 9 also constituted a violation of Minnesota Statutes sections 181.13 or 181.14, which require prompt payment of wages to discharged or resigning employees, respectively.

14. After the deduction related to the Training Reimbursement Agreement, Employee A earned only \$2.88 per hour during her final pay period at Deka Lash. Deka Lash's deductions to the final paychecks of Employee A, Employee B, and Employee C left these employees with \$0 in regular wages for their entire final pay period. Accordingly, the Attorney General alleges that the deductions listed in paragraph 9 brought employee wages below minimum wage for the relevant pay period in violation of Minnesota Statutes section 177.24.

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

REPRESENTATIONS AND WARRANTIES

16. On April 17, 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 April 1, 2022, 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 April 1, 2022, and that the listed amounts deducted from employee wages are accurate.

17. In August 2025, Deka Lash produced a profit and loss statement summarizing its finances since the business opened in 2023. Deka Lash represents and warrants that the information summarized in the profit and loss statement is accurate and complete.

18. The Attorney General relies upon Deka Lash's representations and warranties in its investigation and resolution of this matter.

INJUNCTIVE RELIEF

19. 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, Dekalash 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 Dekalash 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, Dekalash will provide written notification by sending an email to the last known e-mail 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 Dekalash 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 19(c) or 19(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.

20. 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.

RESTITUTION

21. Within fourteen (14) days of the Effective Date of this Assurance, Dekalash will pay a total of \$757.72 in restitution, less withholdings pursuant to paragraph 22, to the three employees who are still owed unlawfully deducted funds as of the Effective Date of this Assurance.

22. Dekalash shall determine the appropriate lawful taxes and withholdings for each employee receiving a payment, make any such taxes and withholdings, and remit any such taxes and withholdings to the appropriate government agency as it would through the normal course of employment. Dekalash may utilize a payroll processor to satisfy the requirements of this paragraph.

23. Dekalash may utilize a payroll processor to transfer each payment to the former employee's direct deposit account. If Dekalash is unable to transfer payment to the former employee's direct deposit account, Dekalash shall mail the payment to the former employee's last known physical address as specified by the Attorney General. Dekalash shall ensure that any checks issued to former employees that are not cashed within the period provided for under applicable unclaimed property laws shall escheat in accordance with applicable law.

24. Within twenty-one (21) days of the Effective Date of this Assurance, Dekalash shall provide the Attorney General with documentation establishing that it has withheld lawful

taxes and withholdings in accordance with paragraph 22 and made all payments required by this Assurance to its former employees.

25. If, after the Effective Date, the Attorney General learns that Dekka Lash made additional unlawful deductions from Minnesota employees not previously disclosed to the Attorney General, or that the deduction amounts disclosed were not accurate, the Attorney General shall provide Dekka Lash written notice of this violation pursuant to paragraph 37 and give Dekka Lash fourteen (14) days to issue additional restitution payments to those former employees, provide the Attorney General with documentation of the additional restitution payments, and submit to the Attorney General a notarized statement detailing what additional payments have been made. Dekka Lash shall ensure that any checks issued to these individuals that are not cashed within the period provided for under applicable unclaimed property laws shall escheat in accordance with applicable law.

26. Dekka Lash shall prepare Form W-2s for each former employee receiving back wages. The Attorney General has no involvement in or responsibility for preparing tax documents for Dekka Lash's former employees who may receive restitution under this Assurance.

STAYED CIVIL PENALTY

27. Dekka Lash 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 Dekka Lash 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 28 does not prevent the Attorney General from moving for, or collecting, the stayed civil penalty described in this paragraph.

RELEASE

28. 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 Dekka Lash of any and all claims of the Attorney General under Minn. Stat §§ 181.645, 181.79, 181.13, 181.14, 177.24, and 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.

29. The Attorney General, through this Assurance, does not settle, release, or resolve any claim against Dekka 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

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

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

32. *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.

33. *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.

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

35. *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.

36. *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.

37. *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:

Lindsey W. Lee, Assistant Attorney General
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 600-2125
St. Paul, Minnesota 55101
lindsey.lee@ag.state.mn.us

For Dekalash:

Matthew J. Rudberg
Owner, Southern Escape Ventures Incorporated
8149 Pennsylvania Circle
Bloomington, MN 55438
mrudberg@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.

38. *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.

39. *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.

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

41. *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.

42. *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, condoned, or agree with any conduct or actions by Dekalash.

43. *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.

44. *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: 28-Aug-2025

Dated: September 11, 2025

Deka Lash


Matthew J. Rudberg

KEITH ELLISON
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State of Minnesota


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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.