

STATE OF MINNESOTA
COUNTY OF HENNEPIN

DISTRICT COURT
FOURTH JUDICIAL DISTRICT

Case Type: Civil
(Consumer Protection)

State of Minnesota, by its Attorney General,
Keith Ellison,

Court File No. 27-CV-23-16187

Plaintiff,

vs.

**CONSENT JUDGMENT
AND ORDER**

Investment Property Group, UT, Inc.; Aldrich
Apartments, LLC; Blaisdell Portfolio, LLC;
Bolero Flats Apartments, LLC; Hopkins
Apartments, LLC; Grandview Terrace
Apartments, LLC; Greenway Apartments,
LLC; Lyndy Apartments, LLC; Maven
Apartments LLC; Parkview Apartments
Associates, LP; Sage Apartment Communities,
Inc., and Wayzata Woods Apartments, LLC,

Defendants.

WHEREAS, Plaintiff, State of Minnesota, by its Attorney General Keith Ellison (“AGO”) filed a Complaint on October 18, 2023, against Investment Property Group, UT, Inc., Aldrich Apartments, LLC, Blaisdell Portfolio, LLC, Bolero Flats Apartments, LLC, Hopkins Apartments, LLC, Grandview Terrace Apartments, LLC, Greenway Apartments, LLC, Lyndy Apartments, LLC, Maven Apartments, LLC, Parkview Apartments Associates, LP, Sage Apartment Communities, Inc., and Wayzata Woods Apartments, LLC (collectively, “Defendants” or “IPG”);

WHEREAS, the AGO filed a First Amended Complaint on December 11, 2023 (the “Complaint”). The AGO alleged that IPG had imposed new utility bills mid-lease at most of its Minnesota properties, did not provide proper disclosures regarding shared meter utility billing, filed evictions on erroneous grounds, and withheld tenants’ security deposits without just cause;

WHEREAS, the AGO alleged that the above-described alleged conduct violated Minnesota Statutes sections 504B.215 (repealed and replaced by 504B.216), 504B.178, 325F.69, and 325D.44;

WHEREAS, the AGO also moved the Court for an order temporarily enjoining Defendants from engaging in conduct alleged to be in violation of Minnesota laws;

WHEREAS, on November 9, 2023, the AGO and Defendants stipulated to certain temporary injunctive relief, including ceasing to charge tenants for gas billing and agreeing to refrain from commencing an eviction action against tenants based, in whole or in part, on purported unpaid utilities;

WHEREAS, in order for Defendants to avoid the burden, expense, and uncertainties of litigation, the parties have agreed to resolve the AGO's claims by entering into this Consent Judgment and Order, as well as any other claims that the AGO could have brought relating to allegedly improperly utility billing and security deposit disposition; and

NOW, THEREFORE, in the interest of resolving the above-captioned action, the parties hereby stipulate and consent to entry of this Consent Judgment and Order as set forth below:

DEFINITIONS

1. "Bolero Flats Apartments" also means Elevate Apartments.
2. "Enjoined Parties" means Defendants, as well as any and all of their subsidiaries who do business in Minnesota.
3. "Outstanding Rent or Utilities" shall mean any monetary debt owed or allegedly owed to Defendants by their former Minnesota tenants.

INJUNCTIVE RELIEF

4. The parties agree that this Consent Judgment and Order shall make permanent the injunctive relief agreed to by the parties in the November 9, 2023, Stipulated Temporary Injunction and Order. Therefore, the Enjoined Parties shall not charge their tenants for gas (or gas-related utilities like steam) separate from rent and shall not threaten to pursue eviction or pursue eviction in whole or in part on the basis of past due, unpaid utility charges.

5. The Enjoined Parties shall also abide by the laws governing utility billing, Minnesota Statutes sections 504B.216, as follows:

- a. Enjoined Parties shall not charge their tenants for apportioned electricity separate from the rent. To be clear, directly metered tenants, as defined in section 540B.216, may be charged for electricity separate from rent; and
- b. Enjoined Parties shall only apportion water and sewer service if in accordance with Minnesota Statutes section 504B.216, including by:
 - i. Providing a copy of the current building utility bill that is being apportioned if requested by a tenant; and
 - ii. Providing a copy of past water and sewer utility bills for which the tenant received an apportioned utility bill for the preceding two years or from the time the current landlord acquired the building, whichever is the most recent, if requested by the tenant.

6. The Enjoined Parties shall abide by the laws governing security deposit dispositions, Minnesota Statutes sections 504B.178, as follows:

- a. Enjoined Parties shall return security deposits with interest within 21 days of the end of a tenancy or five days if the premises are condemned;

- b. If any portion of the deposit has been withheld, within 21 days, Enjoined Parties shall provide a written statement to the tenant showing the specific reason for the withholding of the security deposit or any portion thereof; and
- c. Enjoined Parties shall not withhold security deposits in whole or in part for ordinary wear and tear.

7. The Enjoined Parties shall disclose apportioned water and sewer service accurately in their advertising and leases.

MONETARY RELIEF

Cash Restitution

8. Within 21 days of the Court's entry of this Consent Judgment and Order, Defendants shall make a payment of \$1,800,000.00 to the AGO ("Cash Sum"). All or any portion of the Cash Sum may be distributed to consumers by the Attorney General in his sole discretion pursuant to Minnesota Statutes section 8.31. Monies from the Cash Sum may also be used for settlement administration expenses, including payment to a settlement administrator. Any remaining funds shall not revert to Defendants and will be remitted to the State of Minnesota in accordance with Minnesota law.

9. The Cash Sum shall be sent either by a) a check made payable to the State of Minnesota and mailed to the Attorney General contact in paragraph 22, or b) wire transfer provided that the paying party provides between 24 and 48 hours' advance notice of the transfer.

Rent Credit

10. As further restitution, Defendants shall provide a rent credit ("Rent Credit") of \$350 per household for tenants who began renting prior to November 9, 2023, and who were still renting

from Defendants at the time this Consent Judgment and Order is entered by the Court (“Qualifying Households”).¹ Defendants shall apply the rent credit within 30 days of the time this Consent Judgment and Order is entered and shall notify their tenants of the issuance of the credit. Within 21 days of the Court’s entry of this Consent Judgment and Order, Defendants shall provide the AGO documentation with a list of tenants to whom the Rent Credit was provided. The Cash Sum set forth in paragraph 8 and the Rent Credit set forth in this paragraph collectively are the “Settlement Sum.”

Debt Forgiveness

11. Defendants shall provide debt forgiveness to former tenants at the time that this Consent Judgment and Order is entered by the Court in an amount not to exceed \$3,698,372, as follows:

- a. Forgive all Outstanding Rent and Utility Payments due from former tenants, and cease any efforts to collect all Outstanding Rent and Utility Payments; and
- b. Shall not use a third-party debt collector or collections law firm, or assign the debt to a third party, for collections activities of the Outstanding Rent or Utility Payments;

¹ The Rent Credit shall apply to Qualifying Households at the following properties: Aldrich Avenue Apartments, Bolero Flats Apartments, Cambridge Towers Apartment, Central Park Manor Apartments, Creek Point Apartments, Greenway Apartments, Knollwood Towers East Apartments, Knollwood Towers West Apartments, Lyndy Apartments, Maven Apartments, and Wayzata Woods Apartments. Tenants residing at Blaisdell Portfolio, LLC and Parkview Apartments Associates, LP are not eligible for the Rent Credit.

12. For all Outstanding Rent or Utility Payments due by former tenants that Defendants reported to any credit reporting companies or tenant screening companies, Defendants shall notify the companies that the debt has been satisfied.

STAYED CIVIL PENALTY

13. Defendants shall become liable for a stayed civil penalty of \$100,000 upon application to a court of competent jurisdiction and a showing by the AGO in such court that Defendants engaged in conduct after the entry of this Consent Judgment and Order that repeatedly violates the terms of this 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 17 does not prevent the AGO from moving for, or collecting, the stayed civil penalty described in this paragraph. In the event that Defendants become liable for a stayed civil penalty, such penalty may be paid by any, or any combination of, Defendants.

GENERAL TERMS

14. This Consent Judgment and Order shall remain in effect for 5 years following its entry.

15. This agreement is binding on all Defendants. Defendants shall not change their corporate form of doing business, organizational identity, organizational structure, or management composition for the purpose of attempting to avoid the requirements of this Consent Judgment and Order.

16. Defendants neither admit or deny the AGO's allegations in its Complaint and First Amended Complaint.

17. In consideration of the stipulated relief, the sufficiency of which is acknowledged, the AGO, by execution of this Consent Judgment and Order, and contingent upon the Court's entry

thereof, hereby fully and completely releases Defendants of any and all claims, known or unknown, raised or which could have been raised by the AGO in any way connected with, related to, or arising out of Defendants' alleged improper charging of tenants for utilities, Defendants' alleged improper withholding of security deposits, and the allegations in the above-captioned action, up through and including the date of this Consent Judgment and Order.

18. The AGO, through this Consent Judgment and Order, does not settle, release, or resolve any claim against Defendants (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. The AGO also does not settle, release, or resolve any claim against Defendants held by any other entity, including, but not limited to, claims arising under Minnesota tax laws, antitrust laws, insurance laws, security laws, or criminal laws.

19. Nothing in this Consent Judgment and Order shall relieve Defendants of their obligations to comply with all applicable Minnesota and federal laws and regulations.

20. For the purposes of Internal Revenue Service Form 1098-F (Fines, Penalties, and Other Amounts), the Settlement Sum shall be considered the "Restitution/remediation amount."

21. If the AGO believes Defendants have failed to comply with the terms in this Consent Judgment and Order, the AGO will first provide written notice to Defendants of the alleged failure to comply. Before pursuing any legal action, the State will provide Defendants an opportunity to take reasonable action to cure such asserted violation within 21 days of receiving the written notice. If the State alleges that such action is inadequate, the parties shall attempt to resolve the dispute within 15 days of the remedial action, including the opportunity to meet and confer, if requested by either party. Defendants shall have the right to request a reasonable

extension of the deadlines contained in this paragraph, and the State shall not unreasonably withhold its agreement to the extension. The State must comply with this paragraph before moving the court for the imposition of the stayed civil penalty set forth in paragraph 13.

22. Service of notices required by this Consent Judgment and Order shall be served on the following persons, or any person subsequently designated by the parties to receive such notices:

If to the AGO:
Rebecca Huting
Assistant Attorney General
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 600
St. Paul, Minnesota 55101
rebecca.huting@ag.state.mn.us

If to Defendants:
David M. Aafedt
Winthrop & Weinstine, P.A.
225 South Sixth Street
Capella Tower — Suite 3500
Minneapolis, MN 55402
daafedt@winthrop.com

23. This Consent Judgment and Order constitutes the full and complete terms of the agreement entered into by the AGO and Defendants. This Consent Judgment and Order may not be changed, altered, or modified except by written agreement between the parties.

24. This Court shall retain jurisdiction of this matter for purposes of enforcing this Consent Judgment and Order. The AGO may make such application as appropriate to enforce or interpret the provisions of this Consent Judgment and Order or, in the alternative, maintain any action within its legal authority for such other and further relief as it determines is proper and necessary for the enforcement of this Consent Judgment and Order. The parties agree that, in any action brought by the AGO to enforce the terms of this Consent Judgment and Order, the Court shall have authority to award equitable relief, including specific performance.

25. The failure of the AGO or the Defendants to exercise any rights under this Consent Judgment and Order shall not be deemed to be a waiver of any right or any future rights.

26. Nothing in this Consent Judgment and Order shall be construed to limit the power or authority of the State of Minnesota or the AGO except as expressly set forth herein.

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

28. Nothing in this Consent Judgment and Order, including the facts or terms thereof, shall be offered, introduced, or otherwise used in any action or proceeding for any purpose, except to enforce this Consent Judgment and Order.

29. This Consent Judgment and Order, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

30. This Consent Judgment and Order may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement.

31. Each of the parties is represented by counsel, participated in the drafting of this Consent Judgment and Order, and agrees that its terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.

32. The person(s) signing this Consent Judgment for Defendants warrants that he or she has been duly delegated authority to execute this Consent Judgment, that Defendants have been fully advised by their counsel before entering into the Consent Judgment, and that he or she executed this Consent Judgment in an official capacity that binds Defendants.

33. The parties consent to entry of the foregoing judgment, which shall constitute a final judgment. The judgment shall take effect immediately upon entry by the clerk of this Court.

Dated: July 30, 2025

KEITH ELLISON
Attorney General
State of Minnesota

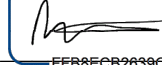
/s/ Rebecca Huting
REBECCA HUTING (#0397506)
Assistant Attorney General
KATHERINE T. KELLY (#0337535)
Assistant Attorney General

445 Minnesota Street, Suite 120
St. Paul, Minnesota 55101-2130
Rebecca.huting@ag.state.mn.us
Telephone: 651-757-1163
Katherine.kelly@ag.state.mn.us
Telephone: 651-728-4089

Attorneys for Plaintiff State of Minnesota

Dated: July 30, 2025

DocuSigned by:



FFB8ECB2639C41D...

BRIAN FITTERER,
on behalf of all Defendants

IT IS SO ORDERED

Date: _____

The Honorable _____
Judge of Fourth Judicial District
District Court of the State of Minnesota

31979633v2