

STATE OF MINNESOTA
COUNTY OF RAMSEY

DISTRICT COURT
SECOND JUDICIAL DISTRICT

Case Type: Other Civil
(Charitable/Nonprofit Violations)

Court File No. _____

In the Matter of Dan Ottoson Ministries, Inc.

**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 Dan Ottoson Ministries, Inc. (“Ottoson Ministries”);

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, Ottoson Ministries is a Minnesota nonprofit corporation organized under the Minnesota Nonprofit Corporation Act, Minnesota Statutes chapter 317A as well as 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. Ottoson Ministries’ registered office address is PO Box 1, Pelican Rapids, Minnesota 56572;

WHEREAS, Danny Ottoson, Merilee Ottoson, and Jordan Ottoson each served as board members with fiduciary duties of care and loyalty to Ottoson Ministries;

WHEREAS, Danny Ottoson and Merilee Ottoson are spouses, Jordan Ottoson is Danny and Merilee's son, and all three individuals are family members of each other as defined in Minn. Stat. § 317A.255, subd. 4;

WHEREAS, Ottoson Ministries has operated in Minnesota since 1981 with the mission of conducting a Christian outreach ministry that includes concerts, missionary work, and speaking at churches and church events.

NOW THEREFORE, Ottoson Ministries 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. Ottoson Ministries' directors Danny Ottoson, Merilee Ottoson, and Jordan Ottoson engaged in a number of self-interested lending and conflicted transactions, mainly including loans to themselves and another family member, Danny and Merilee's son and Jordan's brother (hereafter "Son"), for purposes unrelated to the charity totaling \$238,000.
3. On December 30, 2024, Danny Ottoson claimed that each loan from Ottoson Ministries was approved by only Danny Ottoson and Merilee Ottoson in meetings where no minutes were kept.
4. The loans are identified as follows:
 - a. 2012 - \$15,000 to Jordan Ottoson for an MBA degree at 3.75% for 6 years.
 - b. 2013 - \$25,000 to Son for home loan at 1.75% for 15 years.
 - c. 2014 - \$18,000 to Danny Ottoson for 2014 Chevrolet Impala at 2% interest for 5 years.

- d. 2016 - \$15,000 to Son for auto vehicle purchase at 2% interest for 32 months.
- e. 2018 - \$30,000 to Jordan Ottoson for home remodeling at 2% interest for 3 years.
- f. 2019 - \$15,000 to Son for auto vehicle purchase at 1.25% interest for 4 years.
- g. 2020 - \$27,000 to Son for auto vehicle purchase at 1.75% interest for 6 years.
- h. 2021 - \$65,000 to Jordan Ottoson for real property purchase at 2% interest for 7 years.
- i. 2022 - \$26,500 to Jordan Ottoson for half of a boat purchase at 2% interest for 6 years.
- j. 2022 - \$26,500 to Son for half of a boat purchase at 2% interest for 7 years.

5. All of the loans have been repaid. None of the loans were fair and reasonable to the corporation because they served the Ottosons' personal interests, not the interests of the nonprofit, and the interest rates were well below the bank loan market rate.

6. Ottoson Ministries further admitted that it failed to meet several governance and oversight requirements including not holding a board meeting at least once a year, not keeping and maintaining minutes of board and committee meetings, and not holding a board election at least every 10 years. For example, no board meetings were held in 2020, 2021, and 2022 while one "special meeting" was held in 2023 for the purpose of approving a housing allowance for Danny Ottoson, attended by only two board members: Danny and Merilee Ottoson. No meeting minutes were kept for the 2023 special meeting. Additionally, the last board election that took place was in 1992.

7. The AGO alleges that the conduct generally described in this Assurance constitutes violations of Minn. Stat. §§ 317A.201, 317A.203, 317A.207, subd. 1(a), 317A.231, 317A.251, subd. 1, 317A.255, 317A.361, subd. 1, 317A.305, subd. 2(5), 317A.461, 317A.501, 317A.671, and 501B.40.

8. Ottoson Ministries neither admits nor denies the allegations in this Assurance.

INJUNCTIVE RELIEF

9. The board of directors of Ottoson Ministries will have an active, independent board made up of at least five directors to provide proper oversight of the governance, finances, and operations of the nonprofit.

10. The board of directors of Ottoson Ministries shall, at all times, have no more than two (2) Ottoson family members on it. Jordan Ottoson left the board in September 2024.

11. The board of directors of Ottoson Ministries shall meet at least once per year.

12. Employees of Ottoson Ministries shall be compensated with a reasonable salary determined by the board. The executive director position may serve as an ex-officio member of the board.

13. Ottoson Ministries shall conduct a review of the nonprofit organization's articles of incorporation, bylaws, policies and procedures, including but not limited to, conflicts of interest policies, loans, board governance and structure, and the maintenance of financial books and records.

14. Ottoson Ministries shall expend its assets in furtherance of the charitable mission of the nonprofit.

15. Ottoson Ministries shall follow the procedures set forth in Minnesota Statutes section 317A regarding conflicts of interest, loans, board governance, and transparent financial management.

16. Ottoson Ministries shall retain a licensed CPA to advise as to financial matters.

17. All Ottoson Ministries board members shall certify that they have received, reviewed, and understand the AGO's "Guide for Charity Board Members" and related documents.

18. Ottoson Ministries shall conduct a board election to distinguish officers, directors, and employees, and will conduct a board election at least every 10 years.

19. Ottoson Ministries shall engage legal counsel to advise regarding compliance with statute.

20. Ottoson Ministries shall not grant loans to Ottoson family members.

21. Ottoson Ministries shall provide a written narrative update to the AGO in one (1) year to demonstrate its compliance of these terms.

GENERAL TERMS

22. Ottoson Ministries 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 Ottoson Ministries for any and all violations of this Assurance.

23. Ottoson Ministries 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 Ottoson Ministries.

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

25. Ottoson Ministries, 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.

26. If this Assurance is violated, Ottoson Ministries 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.

27. The person signing this Assurance for Ottoson Ministries warrants that such person is authorized to execute this Assurance, that such person executes this Assurance in an official capacity that binds Ottoson Ministries and its successors, and that Ottoson Ministries has been fully advised by its counsel or has voluntarily foregone such advisement before entering into the Assurance.

28. 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.

29. This Assurance constitutes the full and complete terms of the agreement entered into by Ottoson Ministries and the AGO.

30. 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:

Paul Buchel, Assistant Attorney General
Office of the Attorney General of the State of Minnesota
445 Minnesota Street, Suite 600
Saint Paul, Minnesota 55101

As to Ottoson Ministries:

Danny D. Ottoson, President
Dan Ottoson Ministries, Inc.
PO Box 1
Pelican Rapids, Minnesota 56572

31. 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.

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

33. 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 Ottoson Ministries.

34. 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.

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

36. 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 Ottoson Ministries shall promptly comply with any reasonable request from the AGO for information regarding verification of Ottoson Ministries' compliance with this Assurance.

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

38. 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: 08/21/2025

By: /s/ Paul Buchel
Paul Buchel
Assistant Attorney General

Ottoson Ministries

Dated: 10/9/2025

By: Danny D. Ottoson
Danny D. Ottoson On behalf of Dan Ottoson
Ministries, Inc.

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.