

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF KANDIYOHI

EIGHTH JUDICIAL DISTRICT

Case Type: Other Civil
(Consumer Protection)

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

Court File No. _____

Plaintiff,

vs.

SL Holdings, LLC, dba Suite Liv'n; Allen
Entrepreneurs, LLC; AEHA, LLC; AEHB,
LLC; AEHD, LLC; SL Redwood Street LLC;
AEHH LLC; SL Becker Avenue, LLC; SL 10th
Street LLC; SL 24th Street LLC; SL 400
Village LLC; SL 5th Street LLC; SL Birch
Street LLC; SL Hillcrest Avenue LLC; SL
Hwy 12 LLC; SL Hwy 71 LLC; and SL
Lakeland Drive LLC.

COMPLAINT

Defendants.

The State of Minnesota, by its Attorney General, Keith Ellison, for its Complaint against
Defendants alleges as follows:

INTRODUCTION

1. Defendants are a series of shell corporations doing business under the name Suite Liv'n, that own and rent out a large portfolio of multifamily and single-family homes across west-central Minnesota.

2. Since at least 2019, Suite Liv'n has engaged in a systemic practice of unlawfully profiting from tenants' security deposits through misleading lease provisions and aggressive collection tactics. Suite Liv'n has relied on deceptive and confusing lease provisions to support

its practice of taking cleaning and other fees related to “ordinary wear and tear” from tenants’ security deposits, costs that Minnesota law does not permit landlords to charge.

3. In fact, Suite Liv’n did not even attempt to hide the fact that it treats tenant security deposits as its own funds. In some tenant disclosures, Suite Liv’n referred to the security deposit as a “non-refundable move-in fee”, openly signaling its disregard for its tenants’ legal rights.

4. Suite Liv’n’s move-out fees were often vague and non-descript, which was confusing to tenants. Contemporaneous with imposing these fees upon tenants, Suite Liv’n threatened to refer these bills to collection, using the prospect of negatively impacting tenants’ credit to obtain payment.

5. A few individual tenants have sued and prevailed in court on these unlawful deposit withholdings, but the vast majority of tenants do not have the ability to pursue Suite Liv’n in court. The result has been widespread harm; hundreds of Minnesota tenants have lost substantial sums through Suite Liv’n’s systematic and baseless retention of security deposit funds, a practice that stands in direct violation of Minnesota’s security deposit law. Despite knowing that its practices were held to be illegal in court, Suite Liv’n did not cease its unlawful collection of fees from tenants.

6. Suite Liv’n’s unconscionable actions are illegal, deceptive, and have caused their tenants’ significant harm. The Attorney General has authority to enforce Minnesota’s consumer-protection laws, including laws protecting tenants in the residential rental market. He brings this action to vindicate Minnesota’s tenant-protection laws, seek restitution for Suite Liv’n’s tenants who had their security deposits illegal kept by Suite Liv’n, penalize the companies for their blatant money grab, and obtain the AGO’s costs and fees of the investigation and enforcement action herein.

PARTIES

7. Keith Ellison, the Attorney General of the State of Minnesota, is authorized under Minnesota Statutes chapter 8 and has common law authority, including *parens patriae* authority, to bring this action to enforce Minnesota's laws, to vindicate the State's sovereign and quasi-sovereign interests, and to remediate all harm arising out of—and provide full relief for—violations of Minnesota's laws.

8. Defendant SL Holdings, LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355. SL Holdings, LLC uses a registered assumed name of Suite Liv'n to do business.

9. Under information and belief, all Defendants do business as Suite Liv'n and are collectively referred to as Suite Liv'n in this Complaint.

10. Defendant Allen Entrepreneurs, LLC is a Minnesota limited liability company with its registered office address at 60686 CSAH, 28 Litchfield, Minnesota 55355.

11. Defendant AEHA, LLC, is a Minnesota limited liability company with its registered office address at 60686 CSAH, 28 Litchfield, Minnesota 55355.

12. Defendant AEHB, LLC is a Minnesota limited liability company with its registered office address at 60686 CSAH, 28 Litchfield, Minnesota 55355.

13. Defendant AEHD, LLC is a Minnesota limited liability company with its registered office address at 60686 CSAH, 28 Litchfield, Minnesota 55355.

14. Defendant SL Redwood Street LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

15. Defendant AEHH LLC is a Minnesota limited liability company with its registered office address at 60686 CSAH, 28 Litchfield, Minnesota 55355.

16. Defendant SL Becker Avenue, LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

17. Defendant SL 10th Street LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

18. Defendant SL 24th Street LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

19. Defendant SL 400 Village LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

20. Defendant SL 5th Street LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

21. Defendant SL Birch Street LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

22. Defendant SL Hillcrest Avenue LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

23. Defendant SL Hwy 12 LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

24. Defendant SL Hwy 71 LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

25. Defendant SL Lakeland Drive LLC is a Minnesota limited liability company with its registered office address at 60148 CSAH, 28 Litchfield, Minnesota 55355.

26. All of the above-referenced Defendants are landlords under Minnesota law because they are considered agents or other persons directly or indirectly in control of rental property.

JURISDICTION AND VENUE

27. This Court has subject matter jurisdiction over this action pursuant to Minnesota Statutes sections 8.01, 8.31, 325F.68 to 325F.70, 325D.43 to 325D.48, and 504B.001 to 504B.471, and under common law, including the State's *parens patriae* authority.

28. This Court has personal jurisdiction over Suite Liv'n because they own property in Minnesota, do business in Minnesota, and have committed acts in Minnesota that caused injury to Minnesota residents.

29. Venue in Kandiyohi County is proper under Minnesota Statutes section 542.09 because the cause of action arose, in part, in Kandiyohi County.

FACTUAL BACKGROUND

I. SECURITY DEPOSITS PROTECT LANDLORDS FROM DAMAGES BEYOND NORMAL TENANT WEAR AND TEAR.

30. In Minnesota, like most states, tenants are typically required to pay their landlord a security deposit when they move into a rental unit. Minnesota landlords are required to return a tenant's security deposit with interest within three weeks of the tenant moving out. A landlord may only withhold a tenant's security deposit for two reasons: the tenant damaged the home beyond ordinary wear and tear or the tenant owes the landlord money at the time of move-out.

31. Since a landlord is responsible for ordinary wear and tear that takes place during a tenancy, landlords must bear the costs for routine turnover cleaning and unavoidable deterioration or wear associated with normal residential living activities. Such turnover cleaning, painting, and sprucing up of the home is part and parcel of being a landlord and constitutes business expenses. Tenants are not obligated to return the property in the exact condition that they found the residence upon their move in.

32. If a landlord keeps some or all of the tenant's security deposit, they are required to send a written explanation to the tenant within three weeks of the tenant moving out that states the reasons for withholding the deposit.

II. SUITE LIV'N UNLAWFULLY KEPT MANY OF ITS TENANTS' SECURITY DEPOSITS.

33. In 2015, Defendants entered the rental marketplace by acquiring several multifamily buildings in West Central and Southwestern Minnesota. Suite Liv'n owns and manages approximately 950 rental homes, consisting of multi-family apartment buildings and single-family homes in Marshall, Willmar, New London, Litchfield, Hutchinson, Glencoe, St. Cloud, and Spicer.

34. Beginning at least as early as April 2019, Suite Liv'n engaged in a scheme to reap large profits in its portfolio by pocketing its tenants' security deposits. Defendants greedily deducted large amounts from most deposits for impermissible uses, including performing standard turnover activities to prepare the unit for the next tenant. Defendants charged virtually every tenant for the labor hours of cleaning regardless of whether the tenant caused any damage.

35. For at least four years, Suite Liv'n wholly disregarded these basic tenets of Minnesota landlord-tenant law. For at minimum hundreds of move-outs, Suite Liv'n charged \$45 per hour in labor for cleaning regardless of apartment condition and for routine apartment turnover activities. Landlords are not permitted to charge for routine turnover costs.

36. Suite Liv'n engaged in deceitful and callous behavior as well. One tenant residing in a Willmar property died during the lease. In November of 2023, Suite Liv'n charged excessive labor hours for cleaning despite noting in move-out documents that the home's condition was clean. Suite Liv'n also charged for carpet cleaning despite noting on its documents that it planned to replace the flooring in most of the unit, including all carpet, as shown below.

Security Deposit Disposition Form



DEMOGRAPHIC INFORMATION

Date Completed: 11/6/23 Unit Number: 378-1
Tenant Name: [REDACTED]
Roommate Name (s): _____
Apartment Address: 378 Lakeland Dr SE #1 Willmar, MN 56201
Reason for Move Out: Deceased
Forwarding Address: _____

DAMAGES

Kitchen	\$ 100.00
Living Room/Dining Room/Hallways	\$ <u>50.00</u>
Bathrooms	\$ <u>15.00</u>
Bedrooms	\$ _____
Additional Rooms	\$ _____
Miscellaneous/Garage/Other <u>Carpet Cleaning</u>	\$ <u>125.00</u>
Wall Repairs	\$ <u>50.00</u>
Cleaning Hours <u>8 @ \$45.00/hr.</u>	\$ <u>360.00</u>
Total Damages Accessed	\$ <u>600.00</u>

	AREA	AU	MOVE-OUT CONDITION COMMENTS
Kitchen	FLOORS - BASEBOARDS - REPAIRS	✓	New - Clean
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	✓	Full Paint
	BASEBOARD HEATERS - 2' / 4' / 6' / 8'		NA
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		NA
	LIGHT FIXTURE - 4FT LIGHT - GLOBE - FAN	✓	Replace Bulbs
	CUPBOARDS - DRAWERS - COUNTERS	✓	Clean
	CABINET REPAIR		NA
	PANTRY DOOR - SHELVING		NA
	FRIDGE - CRISP COVER - DRAWER		Clean
	DISHWASHER - RACK - SILVERWARE HOLDER	✓	Clean
	SINK - FAUCET - SPRAYER - DISPOSAL	✓	
	MICROWAVE		NA
Liv Rm One Bm Hall	STOVE - DOOR - DRAWER - HOOD - FILTER FAN	✓	Clean
	FLOORS - BASEBOARDS - REPAIRS	✓	Replace - Old Style
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	✓	Full Paint
	BASEBOARD HEATERS - 2' / 4' / 6' / 8'	✓	
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		NA
	LIGHT FIXTURE - GLOBE - FAN	✓	Not Working
	CLOSET DOORS - RODS - SHELVING	✓	Adjust Bottom Left (off Track)
	PATIO DOOR-PATIO GLASS-RESCREEN-STANDARD BLINDS-WOOD BLINDS	✓	Rescreen
	BALCONY FLOOR BOARD - BALCONY RAIL - LIGHT FIXTURE		NA
	A/C - COVER - FILTER	✓	
	FLOORS - BASEBOARDS - REPAIRS	✓	Old Style - Replace
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	✓	Paint - Wall Repair
Bathroom 1	BASEBOARD HEATERS - 2' / 4' / 6' / 8'		NA
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		NA
	MIRROR - 3' / 4' / 5 BULB LIGHT FIXTURE - FAN	✓	
	BATHROOM DOOR - PASSAGE KNOB W/LOCK	✓	
	CLOSET DOOR - SHELVING		NA
	FLOORS - BASEBOARDS - REPAIRS	✓	Replace - Old Style

37. Suite Liv'n's illegal conduct was intentional and systematic. Even when their records indicated that the home did not have abnormal wear and tear, they still charged cleaning fees in violation of the law. For example, in November of 2023, Suite Liv'n charged their tenants at a property in Willmar to clean even when it confirmed that the apartment was "very very clean" according to its own records:

DAMAGES

Kitchen	\$ _____
Living Room/Dining Room/Hallways	\$ _____
Bathrooms	\$ _____
Bedrooms	\$ _____
Additional Rooms	\$ _____
Miscellaneous/Garage/Other	\$ _____
Wall Repairs	\$ _____
Cleaning Hours <i>Very Very Clean</i>	\$ <i>45.00</i>
Total Damages Accessed	\$ <i>45.00</i>

	AREA	AU	MOVE-OUT CONDITION COMMENTS
Kitchen	FLOORS - BASEBOARDS - REPAIRS		<i>Stove Very Clean</i>
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING		
	BASEBOARD HEATERS - 2' 4" 5' 8"		<i>Drip pans too</i>
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		
	LIGHT FIXTURE - 4FT LIGHT - GLOBE - FAN		<i>Frige Very Clean</i>
	CUPBOARDS - DRAWERS - COUNTERS		
	CABINET REPAIR		<i>Clean</i>
	PANTRY DOOR - SHELVING		<i>Clean</i>
	FRIDGE - CRISP COVER - DRAWER		<i>Clean</i>
	DISHWASHER - RACK - SILVERWARE HOLDER		<i>Clean</i>
Liv. Rm./Dn. Rm./Hall	SINK - FAUCET - SPRAYER - DISPOSAL		
	MICROWAVE		
	STOVE - DOOR - DRAWER - HOOD - FILTER FAN		
	FLOORS - BASEBOARDS - REPAIRS		
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING		
	BASEBOARD HEATERS - 2' 4" 5' 8"		
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		
	LIGHT FIXTURE - GLOBE - FAN		
	CLOSET DOORS - RODS - SHELVING		
	PATIO DOOR-PATIO GLASS-RESCREEN-STANDARD BLINDS-WOOD BLINDS		
Bathroom 1	BALCONY FLOOR BOARD - BALCONY RAIL - LIGHT FIXTURE		
	A/C - COVER - FILTER		
	FLOORS - BASEBOARDS - REPAIRS		<i>Very Clean !!</i>
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING		
	BASEBOARD HEATERS - 2' 4" 5' 8"		
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		<i>Vanity - taken up Clean</i>
	MIRROR - 3' 4' 5 BULB LIGHT FIXTURE - FAN		<i>Mirror Very Clean</i>
	BATHROOM DOOR - PASSAGE KNOB W/LOCK		
	CLOSET DOOR - SHELVING		
	VANITY 24"46" - SINK - COUNTER - FAUCET		
Bath 2	TUB & SURROUND-TUB REPAIR-FAUCET-SHOWER-HEAD-SPOUT		
	TOILET - SEAT - TOWEL BAR-TP HOLDER		
	FLOORS - BASEBOARDS - REPAIRS		<i>Clean Carpets</i>
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING		
Room 2	BASEBOARD HEATERS - 2' 4" 5' 8"		
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS		<i>All Clean</i>
	MIRROR - 3' 4' 5 BULB LIGHT FIXTURE - FAN		

38. Charges were excessive for cleaning when the move-out checklist demonstrated all items were in an acceptable condition, or where defects in the apartment were unattributable to the tenant. For example, in November of 2023, Suite Liv'n charged a Willmar tenant for \$270 in

cleaning labor despite noting on the move-out inspection that every area in the unit was left in an “acceptable” condition.

39. A tenant is only responsible for restoring the premises to their condition at the commencement of the tenancy, **ordinary wear and tear excepted**. However, Suite Liv’n routinely charged for both labor and supplies for “minimal cleaning,” a cost they are prohibited from shifting to the tenant. For example, as noted on this tenant’s August 2021 Move Out Statement from their unit in New London, Suite Liv’n charged \$75 for minimal cleaning.

Move Out Statement Date: 01/25/2024

Code: t0001161	Property: 303-red	Lease From: 02/24/2021
Name: [REDACTED]	Unit: 303-108	Lease To: 08/31/2021
Address: 303 Redwood St	Status: Past	Move In: 02/24/2021
Apt 108	Rent: 560.00	Move Out: 08/31/2021
City: New London, MN 56273		Notice: 07/01/2021
Telephone: (O)-() - (H)-(507) 508-2330		

Date	Description	Charge	Payment	Balance	Chg/Rec
	Balance as of 8/01/2021			0.00	
08/01/2021	Rent (08/2021)	560.00	0.00	560.00	23844
08/04/2021	chk# [REDACTED] Credit Card On-Line Payment ; Mobile Web - Resident Services	0.00	560.00	0.00	23050
08/22/2021	chk# [REDACTED] Credit Card On-Line Payment ; Mobile Web - Resident Services	0.00	75.00	(75.00)	23878
08/22/2021	Labor time and cleaning supplies for minimal cleaning	35.00	0.00	(40.00)	25704
08/22/2021	Required minimal cleaning of kitchen/bathroom areas- informed 8/22/21 with [REDACTED]	40.00	0.00	0.00	25705

40. Suite Liv’n routinely engaged in a pattern and practice of making automatic deductions from a tenant’s security deposit regardless of the condition the premises were left in. For example, Suite Liv’n required tenants to pay for professional carpet cleaning even when the unit was left clean. In January of 2021, when a tenant at a New London property did not provide a receipt of having had the unit professionally cleaned, they were charged for purported carpet repairs, as illustrated below.

01/31/2021	Carpet Repairs- needs carpet clean after move out- tenant did not provide receipt	149.00
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41. The charge to this New London tenant for carpet cleaning, in addition to hourly cleaning charges, violated this tenant's right to return the unit to the landlord in a condition that takes into account normal wear and tear.

42. Charging for light cleaning that is part of the regular apartment turnover process is illegal. Nonetheless, Suite Liv'n frequently charged for multiple items that constitute a landlord's turnover obligation, such as charging for both carpet cleaning and light cleaning, as shown below.

10/31/2021	Carpet cleaning	149.00
10/31/2021	Cleaning light	100.00

08/02/2021	Carpet Repairs- required carpet cleaning	149.00
08/02/2021	Cleaning- required light cleaning, labor time & cleaning supplies	125.00

43. Suite Liv'n also charged excessively for drip pan replacement (\$35 -\$45) in countless tenancies. Charging for ordinary oven drippings resulting from normal use of an oven constitutes improper charging for ordinary wear and tear. Additionally, Suite Liv'n charged more than the replacement cost for drip pan replacement. Below is merely one example of many from a property in Willmar showing Suite Liv'n charging tenants in March of 2022 for purported drip pan "damages."

03/31/2022	damages	Cleaning - Light plus labor & supplies	150.00
03/31/2022	damages	Damages - Drip pans	40.00

44. In August 2023, a tenant moved into a unit in Marshall that was in poor condition, and within one week elected to have Suite Liv'n transfer them to another unit. Despite the move-out condition form for their original unit acknowledging the carpet and flooring condition as

“Should have been replaced prior to move-in” and “dated,” Suite Liv’n still charged the tenant \$90 for two hours of cleaning, despite every item noted as “acceptable” condition, as shown below. Suite Liv’n’s charging a tenant for cleaning fees for a unit that was provided to the tenant in poor condition, and then lived in for only one-week, constitutes the type of fraudulent billing Suite Liv’n regularly engaged in.

Liv. Rm. Din. Rm. Hall	FLOORS - BASEBOARDS - REPAIRS	✓	new carpet - Should have been replaced prior to move-in
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	✓	repainted
	BASEBOARD HEATERS - 2' / 4' / 6' / 8'	✓	ok
	WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS	✓	new blinds @ m/l
	LIGHT FIXTURE - GLOBE - FAN	✓	ok m/l
	CLOSET DOORS - RODS - SHELVING	✓	good
	PATIO DOOR-PATIO GLASS-RESCREEN-STANDARD BLINDS-WOOD BLINDS	✓	good - new blinds @ m/l
	BALCONY FLOOR BOARD - BALCONY RAIL - LIGHT FIXTURE	✓	good
	A/C - COVER - FILTER	✓	good
	FLOORS - BASEBOARDS - REPAIRS	✓	Floor dated could be replaced, doesn't need to though
	WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	✓	good

45. In September 2023, after the end of one tenancy in Marshall, Suite Liv’n charged a tenant \$240, representing the purported cost of labor for two hours of cleaning (at \$45 per hour) and \$150 for steam cleaning of the carpet, which Suite Liv’n did not actually do in the tenant’s unit. The move-out condition form and photographed condition of the apartment demonstrate that the tenant cleaned meticulously:

Suite Liv'n Property Management Move-Out Form
 Resident Name: [REDACTED] Resident Name: [REDACTED] Move In Date: 8/10/20 8/31/23
 Phone #: [REDACTED] Building Name/Apt #: 1304-510 Garage #: [REDACTED] Parking Spot #: [REDACTED]

AREA	A	U	MOVE-OUT CONDITION COMMENTS	REPLACE
FLOORS - BASEBOARDS - REPAIRS	X		no damages to floor	300 - 3ft - 200
WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	X		no damages, no scratches,	50hr - 100 - 50
BASEBOARD HEATERS - 2' x 4' x 8'	X		n/a	50 - 75 - 105 - 150
WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS	X		no damages, no blinds	250-50-100-75-200
LIGHT FIXTURE - 4FT LIGHT - GLOBE - FAN	X		globe, no damages	50-125-25-200
CUPBOARDS - DRAWERS - COUNTERS	X		no damages	300hr - 100 - 50/linear foot
CABINET REPAIR	X		no damage, under sink some water seeping, building issues	100 per drawer/cabinet
PANTRY DOOR - SHELVING	X		n/a	155 - 100
FRIDGE - CRISP COVER - DRAWER	X		apple juice in freezer, v. clean	750 - 100 - 85
DISHWASHER - RACK - SILVERWARE HOLDER	X		n/a	525 - 90 - 25
SINK - FAUCET - SPRAYER - DISPOSAL	X		n/a	150 - 175 - 50 - 135
MICROWAVE	X		n/a	375
STOVE - DOOR - DRAWER - HOOD - FILTER FAN	X		light clean in prep 1 hr	725 - 250 - 90 - 150 - 15
FLOORS - BASEBOARDS - REPAIRS	X		carpet - shampoo	800 - 3ft - 300
WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	X		W/O 5456, Maint made repairs next to H/C, needs more repairs + paint	50hr - 200 - 125
BASEBOARD HEATERS - 2' x 4' x 8'	X		no window damages, no blinds	50 - 75 - 105 - 150
WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS	X		no light in bag, full light no day	250-50-100-75-200
LIGHT FIXTURE - GLOBE - FAN	X		no damage in closets	50 - 25 - 200
CLOSET DOORS - RODS - SHELVING	X		n/a	325 - 15 - 100
PATIO DOOR-PATIO GLASS-RESCREEN-STANDARD BLINDS-WOOD BLINDS	X		n/a	2000 - 430 - 50 - 200 - 150 - 75
BALCONY FLOOR BOARD - BALCONY RAIL - LIGHT FIXTURE	X		n/a	40/linear - 200 - 25
A/C - COVER - FILTER	X		n/a	725 - 75 - 35
FLOORS - BASEBOARDS - REPAIRS	X		cleaned floor, good condition	300 - 3ft - 150
WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	X		no damages	50hr - 75 - 50
BASEBOARD HEATERS - 2' x 4' x 8'	X		n/a	50-75-105-150
WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS	X		n/a	250-50-100-75-200
MIRROR - 3' x 4' x 5' BULB LIGHT FIXTURE - FAN	X		no damages	150 - 50/75/85 - 150
BATHROOM DOOR - PASSAGE KNOB W/LOCK	X		no damages	250 - 40
CLOSET DOOR - SHELVING	X		n/a	155 - 38
VANITY 24" x 8" - SINK - COUNTER - FAUCET	X		sealant stain, no seeping	340/880 - 75 - 50/lin ft - 125
TUB & SURROUND-TUB REPAIR-FAUCET-SHOWERHEAD-SPOUT	X		ok, no days	1450 - 425 - 185 - 15 - 20
TOILET - SEAT - TOWEL BAR-TP HOLDER	X		ok, no damage	150 - 15 - 15/ea - 5
FLOORS - BASEBOARDS - REPAIRS	X		carpet - shampoo	400 - 3ft - 200
WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	X		no damages	50hr - 125 - 50
BASEBOARD HEATERS - 2' x 4' x 8'	X		small stain	50 - 75 - 150 - 150
WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS	X		no damages	250 - 50 - 100 - 75 - 200
LIGHT FIXTURE - GLOBE - FAN	X		no damages	50 - 25 - 200
BEDROOM DOOR - PASSAGE KNOB	X		no damages	250 - 40
CLOSET DOOR - ROD - SHELVING	X		no damages	325 - 15 - 100
A/C - COVER - FILTER	X		n/a	725 - 75 - 35
FLOORS - BASEBOARDS - REPAIRS	X		carpet - shampoo	400 - 3ft - 200
WALLS & CEILING REPAIR - PAINTING - CEILING PAINTING	X		no damages	50hr - 125 - 50
BASEBOARD HEATERS - 2' x 4' x 8'	X		no damages	50 - 75 - 150 - 150
WINDOW-RESCREEN-REBUILD SCREEN-STANDARD BLINDS-WOOD BLINDS	X		windows, insulation, floor, residue - light clean 1/2 hr	250 - 50 - 100 - 75 - 200
LIGHT FIXTURE - GLOBE - FAN	X		no damages	50 - 25 - 200
BEDROOM DOOR - PASSAGE KNOB	X		no damages	250 - 40
CLOSET DOOR - ROD - SHELVING	X		no damages	325 - 15 - 100
A/C - COVER - FILTER	X		n/a	725 - 75 - 35

WALL REPAIR: 0 \$50 per hour
 CLEANING HOURS: 3 \$45 per hour
 Replacement Subtotal: \$ 90
 COMMON AREAS KEYS (indicate quantity received) [] Controlled Access; [] Fitness; [] Community Area; [] Pool
 APARTMENT KEYS (indicate quantity received) [] Deadbolt; [] Knob lock; [] Mailbox; [] Key Card; [] Fob
 GARAGE KEYS/ACCESS (indicate quantity received) [] Garage Key; [] Handle; [] Remote Transmitter
 STEAM CLEANING OF CARPETS [] Based on # of rooms with carpet (stain removal, deodorizer, stains, or extra rooms may cost more). 1 RM-105, 2 RM-125, 3 RM-150, 4 RM-200, 5 RM-250
 REMOVAL OF ABANDONED PROPERTY [] Storage and/or disposal may cost more.
 \$ 150
 \$ 240



Clean move out condition of Bedroom



Clean move out condition of Bathroom



Clean move out condition of Kitchen

46. Suite Liv'n demanded payment from the tenant and sent the bill to a debt collector, which the tenant did not know about until he contacted Suite Liv'n. This unlawful billing negatively impacted the tenant's credit, and the tenant ultimately chose to pay the \$240 balance rather than contest the matter.

47. Many tenants were subjected to this threat of collections. Suite Liv'n frightened tenants by sending them collection letters after they moved out, even when the tenants did not owe any legitimate debt. The letters were entitled "Balanced Owed After Moveout - Demand for Payment." Below is an exemplary letter from a tenant who resided in Marshall until August of 2023 stating that if the tenant did not make "immediate payment," the pre-collections process would begin.



Suite Liv'n
60148 CSAH 28
Litchfield, MN 55355
Ph: (320) 828-6062
Email: residentservices@suitelivn.com

RE: SL 400 Village LLC
515 Village Drive Apt #40
Marshall, MN 56258

[REDACTED]
515 Village Dr St #31
Marshall, MN 56258

BALANCED OWED AFTER MOVEOUT – DEMAND FOR PAYMENT

September 15, 2023

Dear [REDACTED],

Thank you for renting from Suite Liv'n for your housing needs. Please find enclosed a copy of your Move-out Statement Summary accounting form.

Currently, our records indicate a balance is due on the account. We sincerely hope you can pay this balance and mail it to us within 7 days of receipt of this letter.

According to your Lease Agreement, you are responsible for payment for any monetary or physical damage that exceeds the amount of your security deposit (and accrued interest, if any).

Payments should be mailed to:	Suite Liv'n 60148 CSAH 28 Litchfield, MN 55355
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If you cannot make immediate payment of this owed balance, your account will be forwarded to our third-party pre-collection agency. The agency will contact you to arrange for payment and establish any payment plan options available.

If a payment is not made and no plan is established with the agency within 45 days, the account will be turned over to a collections agency and will be reported to the credit bureau.

We appreciate your immediate attention to this matter. If you have any questions, please feel free to contact us at (320) 828-6062.

Sincerely,

Suite Liv'n Accounting Department

48. Other impermissible turnover charges Suite Liv'n imposed on its tenants included purported "COVID sanitation" cleaning. Below is just one example of a move-out statement itemizing such charges for a tenant who resided in Willmar in 2021.

Move Out Statement Date: 01/25/2024

Code: t0000202	Property: 1501-bec	Lease From: 08/01/2020
Name: [REDACTED]	Unit: 1501-8	Lease To: 07/31/2021
Address: [REDACTED]	Status: Past	Move In: 08/01/2020
	Rent: 715.00	Move Out: 08/31/2021
City: [REDACTED]		Notice: 06/24/2021
Telephone: (O)-(507) 822-8822		

Date	Description	Charge	Payment	Balance	Chg/Rec
	Balance as of 8/01/2021			0.00	
08/01/2021	chk# 105335226 Recurring Debit Card Payment ; Roommate Julianna Rehneft (r0000216) ;	0.00	357.50	(357.50)	22482
08/01/2021	Rent (08/2021)	715.00	0.00	357.50	23646
08/02/2021	chk# :ACH-4365 Pre-Authorized Payment	0.00	357.50	0.00	22569
08/31/2021	:Security Deposit credit	-700.00	0.00	(700.00)	27487
08/31/2021	:Deposit Interest Charge	-7.58	0.00	(707.58)	27488
08/31/2021	Cleaning- COVID sanitation	75.00	0.00	(632.58)	27489
08/31/2021	Amount to be refunded	632.58	0.00	0.00	27490

49. Suite Liv'n also added generic "light cleaning" expenses into COVID sanitization charges in one flat charge, evidencing the company's customary and careless practice of superfluous charging. Below is an example of a tenant who resided in Willmar being charged for light cleaning in July of 2021:

Move Out Statement Date: 01/25/2024

Code: t0001403	Property: 329-lake	Lease From: 04/01/2020
Name: [REDACTED]	Unit: 329L-204	Lease To: 04/30/2021
Address: 608 Ann Street SE	Status: Past	Move In: 05/28/2021
	Rent: 625.00	Move Out: 07/31/2021
City: Willmar, MN 56201		Notice: 07/01/2021
Telephone: (O)-(208) 866-1944		

Date	Description	Charge	Payment	Balance	Chg/Rec
	Balance as of 7/01/2021			(625.00)	
07/01/2021	Rent (07/2021)	625.00	0.00	0.00	22000
07/31/2021	:Security Deposit credit	-625.00	0.00	(625.00)	24907
07/31/2021	:Deposit Interest Charge	-6.25	0.00	(631.25)	24908
07/31/2021	Cleaning- light cleaning, labor time and cleaning supplies- sanitize and COVID clean up prior to next tenant to move in	85.00	0.00	(546.25)	24909
07/31/2021	Damages- replace drip pans	35.00	0.00	(511.25)	24910
07/31/2021	Amount to be refunded	511.25	0.00	0.00	24911
08/01/2021	Rent (08/2021)	625.00	0.00	625.00	23951
08/01/2021	Rent (08/2021) Credit 31 days	-625.00	0.00	0.00	24906

50. The excessive charging continued. In September of 2023, Suite Liv'n charged a Willmar tenant \$45 to "Sanitize for next tenant". This was despite the fact that the unit had "damages" when they moved in and the tenant left the apartment in good condition when they moved out. The images below are from this tenant's move-out documents.

09/26/2023	Sanitize for next tenant	45.00
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DAMAGES		
Kitchen		\$ _____
Living Room/Dining Room/Hallways		\$ _____
Bathrooms		\$ _____
Bedrooms		\$ _____
Additional Rooms		\$ _____
Miscellaneous/Garage/Other	tenant had pictures for	\$ _____
Wall Repairs	All damages from move in.	\$ _____
Cleaning Hours	Unit was not ready at move in.	\$ 45.00
Total Damages Accessed		\$ 45.00

Move Out Statement

Date: 11/06/2023

Code	Property	Lease From
t0002503	mc-1302	11/19/2022
Name	Unit	Lease To
	1302-309	10/31/2023
Address	Status	Move In
1302 Birch St	Past	11/19/2022
Apt 309	Rent	Move Out
	600.00	10/19/2023
City		Notice
Marshall, MN 56258		10/19/2023
Telephone		

Date	Description	Charge	Payment	Balance	Chg/Rec
	Balance as of 10/01/2023			1,344.00	
10/01/2023	Rent - Resident Share (10/2023)	600.00	0.00	1,944.00	58046
10/05/2023	Late Fees, 8% of \$600.00	48.00	0.00	1,992.00	58991
10/19/2023	Rent - Resident Share (10/2023) Credit 12 days	-232.26	0.00	1,759.74	60907
10/19/2023	Key Replacement	100.00	0.00	1,859.74	60908
10/19/2023	Living Room/Dining Room	450.00	0.00	2,309.74	60909
10/19/2023	Shampoo Carpet	125.00	0.00	2,434.74	60910
10/19/2023	Cleaning Hours	135.00	0.00	2,569.74	60911
10/19/2023	Bedroom 1	400.00	0.00	2,969.74	60912

III. SUITE LIV'N USED CONFUSING AND ILLEGAL LEASE PROVISIONS AS COVER FOR ITS RETENTION OF SECURITY DEPOSITS.

52. Not only did Suite Liv'n engage in a pattern and practice of illegal charges and deductions from tenants' security deposits, but they misled their tenants by intentionally communicating confusing, deceptive, and wholly illegal assertions about tenants' responsibilities at the end of the lease. Suite Liv'n represented to its tenants that they could be charged for any cleaning and that they had to return the apartment to the same or better condition as it was in when they moved in. This is simply not true under the law. But most tenants are not sophisticated parties and have no leverage to push back on illegal lease terms.

53. Despite the ordinary wear and tear exception in the security deposit law, Suite Liv'n attempted to contract around that by using lease language that at best confusingly, and at worst, intentionally, conveyed that a tenant is responsible for ordinary cleaning, which was Suite Liv'n's responsibility. Suite Liv'n's lease forced the tenant to agree that "any cleaning, or repair or replacement due to any source . . . is not considered normal wear and tear." The clause is shown below.

5. Costs of cleaning, deodorizing, repairing and/or replacement to the Unit and the contents of the Unit to the same condition they were in at the beginning of the tenancy, exclusive of normal wear and tear. Tenant acknowledges and agrees that soilage and any cleaning, or repair or replacement due to any source, including smoke damage from any source, is not considered normal wear and tear;

54. Suite Liv'n's Cleaning Fee Addendum even attempted to foist upon tenants a requirement to meet a standard of professional cleanliness, and to return the premises in "the same or better condition," instead of the statutory, and unwaivable, standard that takes into account ordinary wear and tear. The Cleaning Fee Addendum is shown below.

Cleaning Fee Addendum

Resident acknowledges and agrees that the property is in a professionally cleaned condition and agrees to accept the property in its present state of cleanliness. Resident agrees to return the property in the same or better condition upon move-out, or pay a cleaning fee(s) to cover the cost of Management having the property professionally cleaned. It is within Management's sole discretion to determine (1) whether the condition of the property upon move-out requires professional cleaning, (2) the hourly rate/cost of cleaning services, and (3) whether third parties are employed to conduct cleaning services.

55. Suite Liv'n's tenant forms were both illegal and inelegant. They were poorly drafted and used words that did not exist. Their move-out form called for the tenant to agree that they are "fully and finacially [sic] responsible for all costs expended [sic] in resorting [sic] said apartment to a throughly [sic] clean condition. . ." The clause of the form is below.

FORWARDING ADDRESS/PHONE NUMBER: _____

I hereby acknowledge inspection of said apartment and accept it with the conditions noted. I have received a copy of this form and agree to the charges of \$ _____ indicated above. Resident(s) agree(s) they are fully and financially responsible for all costs expended in resorting said apartment to a throughly clean condition, fully intact and free from damage and breakage. I agree to the charges indicated above and understand that additional charges may incur if the actual cost of cleaning, repairs, painting, and/or replacement exceeds the amount indicated. I acknowledge responsibility for any cleaning costs or damages that were not reasonably discoverable (such as animal odor) during the move out inspection.

tenant not present - skip

56. Suite Liv'n falsely and deceptively characterized tenants' security deposits as nonrefundable move-in fees in tenancy documents. For example, as demonstrated below, in August of 2023, Defendants' sent a Willmar tenant a security deposit disposition form that fraudulently described their \$500 deposit as a nonrefundable move-in fee.

DEPOSITS	
Security Deposit Amount <i>Non refundable move in fee</i>	\$ <u>500⁰⁰</u> xxxx
Prepay On Account	\$ _____
Other Deposits: _____	\$ _____
Total Deposits Available	\$ <u>500⁰⁰</u> xxxx

IV. SUITE LIV'N REAPED LARGE PROFITS WHEN IT CHARGED TURNOVER EXPENSES.

57. Suite Liv'n demonstrated their motive was to maximize profit from unlawfully taking security deposits from tenants, rather than merely charging to restore premises to a rentable condition between tenancies. Suite Liv'n collected substantial money from tenants for these fees. For example, at SL 24th Street, LLC, one of Suite Liv'n's property holdings that leases out 163 units, Suite Liv'n collected over \$56,652 in damages and cleaning fees in 2022 alone.

62. The move-outs below are merely a sampling of turnover fees Suite Liv'n assessed almost all of the departing tenants for shell company SL 24th Street, LLC in just a one-year period for 2022.

1201 24th Street NW	12/31/2021	01-2022	C-1618649	:MoveOut	0.00	75.00	-245.00	Cleaning - light
1319 24th Street NW	12/31/2021	01-2022	C-1618631	:MoveOut	0.00	146.89	-1,730.89	Carpet cleaning
1319 24th Street NW	12/31/2021	01-2022	C-1618656	:MoveOut	0.00	189.00	-2,279.89	Carpet cleaning
1337 24th Street NW	12/31/2021	01-2022	C-1618615	:MoveOut	0.00	149.00	-3,163.89	Carpet cleaning
1355 24th Street NW	12/31/2021	01-2022	C-1618597	:MoveOut	0.00	149.00	-4,177.89	Carpet cleaning
1355 24th Street NW	12/31/2021	01-2022	C-1618665	:MoveOut	0.00	189.00	-6,172.78	Carpet cleaning
1373 24th Street NW	12/31/2021	01-2022	C-1618589	:MoveOut	0.00	149.00	-6,756.78	Carpet cleaning
1373 24th Street NW	12/31/2021	01-2022	C-1618673	:MoveOut	0.00	189.00	-7,320.78	Carpet cleaning
2605 15th Avenue NW	12/1/2021	02-2022	C-1631452	:MoveOut	0.00	149.00	-11,938.78	Carpet cleaning
2605 15th Avenue NW	12/1/2021	02-2022	C-1631453	:MoveOut	0.00	75.00	-12,013.78	Cleaning - light clean supplies and labor
1101 24th Street NW	2/28/2022	03-2022	C-1644230	:MoveOut	0.00	150.00	-12,203.78	Cleaning - Light clean, supplies and labor
1205 24th Street NW	3/31/2022	04-2022	C-1657185	:MoveOut	0.00	175.00	-13,008.78	Carpet Cleaning
1205 24th Street NW	3/31/2022	04-2022	C-1657186	:MoveOut	0.00	150.00	-13,158.78	Cleaning - Light clean plus labor and supplies
2601 15th Avenue NW	4/30/2022	05-2022	C-1670774	:MoveOut	0.00	150.00	-15,328.78	Cleaning - Light clean plus labor & supplies
1205 24th Street NW	5/31/2022	06-2022	C-1684466	:MoveOut	0.00	150.00	-16,518.78	Cleaning - Light plus labor & supplies
1213 24th Street NW	5/3/2022	06-2022	C-1678845	:MoveOut	0.00	150.00	-16,958.78	Cleaning - Light clean plus labor & supplies
1414 24th Street NW	7/30/2022	08-2022	C-1710298	:MoveOut	0.00	150.00	-30,103.78	Cleaning - Light clean plus labor & supplies
1209 24th Street NW	9/1/2022	12-2022	C-1771039	:MoveOut	0.00	250.00	-46,442.78	Cleaning
1209 24th Street NW	12/1/2022	12-2022	C-1763602	:MoveOut	0.00	200.00	-47,292.78	Cleaning
1213 24th Street NW	11/17/2022	12-2022	C-1763551	:MoveOut	0.00	150.00	-47,642.78	Carpet Cleaning
1213 24th Street NW	11/17/2022	12-2022	C-1763552	:MoveOut	0.00	150.00	-47,792.78	Cleaning
2605 15th Avenue NW	9/15/2022	12-2022	C-1773402	:MoveOut	0.00	250.00	-50,222.78	Cleaning - Light clean plus labor & supplies

V. PRIOR LAWSUITS OVER SUITE LIV’N’S VIOLATIONS OF THE SECURITY DEPOSIT LAW HAVE FAILED TO DETER THEIR UNLAWFUL PRACTICES.

63. In October of 2019, a tenant who had resided at a Suite Liv’n property for five years sued after Suite Liv’n withheld their deposit for normal wear and tear. In January 2020, the court found that Suite Liv’n had failed to demonstrate that it had a basis to withhold \$500 from the tenant’s security deposit and ordered judgment for the tenant.

64. Tenants have filed a number of other conciliation court cases against Suite Liv’n for allegedly violating Minnesota’s security deposit law. In one case filed in September 2019, a tenant who had resided in Willmar pointed out how ludicrous it was that Suite Liv’n charged him for \$100 cleaning when they told the tenant his unit was extremely clean. Suite Liv’n representatives allegedly stated to the tenant, “As we walked in to the apartment for the final walk through, the representatives [sic] first comments were ‘Did you even live here? It’s so clean.’” Suite Liv’n ultimately settled the lawsuit.

65. Unfortunately, despite the above-discussed January 2020 court finding that Suite Liv’n had violated Minnesota’s security deposit law, Suite Liv’n did not stop their misconduct. In another case filed in April 2023, Suite Liv’n settled with the tenant after allegedly failing to return the tenant’s deposit or even send the security deposit disposition letter. In a similar case filed in December of 2020, Suite Liv’n settled with a tenant who sued after Suite Liv’n allegedly failed to return a pet deposit to the tenant after they moved out.

66. Suite Liv’n egregious security deposit retention practice has repeatedly violated tenants’ legal right to have their security deposit returned to them and has caused financial harm to them as well as much stress and consternation when Suite Liv’n illegally returned their money.

COUNT I
UNLAWFUL SECURITY DEPOSIT RETENTION
MINN. STAT. § 504B.178

67. Plaintiff re-alleges all prior paragraphs of this Complaint.
68. Minnesota Statutes section 504B.178, subdivisions 3 and 10 state:

Subdivision 3. Return of security deposit.

- (a) Every landlord shall:
- (1) within three weeks after termination of the tenancy ...and after receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as provided in subdivision 2, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof.
 - (b) The landlord may withhold from the deposit only amounts reasonably necessary:
 - (1) to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or
 - (2) to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

Subdivision 10: Waiver.

Any attempted waiver of this section by a landlord and tenant, by contract or otherwise, shall be void and unenforceable.

69. Defendant has repeatedly violated Minnesota Statutes section 504B.178 by engaging in the following conduct:

- (a) Failing to return a security deposit or provide a written statement showing the reason for its withholding;

- (b) Deducting amounts from the deposit for impermissible uses, like performing standard turn-over activities to prepare the home for the next tenant including charges for COVID sanitization, routine cleaning, and cleaning supplies; and
- (c) Misrepresenting to tenants that a security deposit was a nonrefundable fee.

70. There is a causal relationship between the injuries suffered by Minnesota residents and the wrongful conduct Defendants have engaged in that violates Minnesota Statutes section 504B.178.

71. Defendants' conduct, practices, and actions, and material omissions described in this Complaint constitute multiple violations of Minnesota Statutes section 504B.178.

**COUNT II
PREVENTION OF CONSUMER FRAUD ACT
MINN. STAT. § 325F.69**

72. Plaintiff re-alleges all prior paragraphs of this Complaint.

73. Minnesota Statutes section 325F.69, subdivision 1, provides:

The act, use, or employment by any person of any fraud, unfair or unconscionable practice, false pretense, false promise, misrepresentation, misleading statement or deceptive practice, with the intent that others rely thereon in connection with the sale of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby, is enjoined as provided in section 325F.70.

74. The term "merchandise" within the meaning of Minnesota Statutes section 325F.69 includes services and real estate, including residential rental services. Minn. Stat. § 325F.68, subd. 2.

75. Minnesota Statutes section 325F.69, subdivision 8, also prohibits unfair or unconscionable practices, defined as any "act [] or practice that: (1) offends public policy as

established by the statutes, rules, or common law of Minnesota; (2) is unethical, oppressive, or unscrupulous; or (3) is substantially injurious to consumers.” Minn. Stat. § 325F.69, subd. 8.

76. Defendants repeatedly violated Minnesota Statutes section 325F.69, by engaging in fraud, false pretenses, false promises, misrepresentation, misleading statements, deceptive practices, as described in this Complaint, with the intent that others rely thereon in connection with their provision of rental housing. Among other actions, those practices include:

- (a) Misrepresented to tenants that they can be obligated to pay Defendants’ routine business expenses, like turnover costs, including normal wear and tear;
- (b) Misrepresenting to tenants that Defendants can charge tenants their own business expenses at turn-over, such as COVID sanitization, routine cleaning, and cleaning supplies;
- (c) Confusing tenants with vague, non-descript dollar amounts charged to them at the end of their tenancies;
- (d) Misrepresenting a security deposit to tenants as a nonrefundable fee regardless of the condition of the home at move-out; and
- (e) Misrepresenting to tenants that they are responsible for routine turnover and ordinary wear by referring tenant accounts to debt collectors without a basis for the charges.

77. Defendants’ actions described above are also unfair or unconscionable practices because all the conduct above is detrimental to fair dealings, especially in light of the substantial power imbalance in favor of the landlord. Defendants violated tenants’ reasonable expectation that their landlord would comply with the law. When Defendants engaged in a widespread pattern

and practice of imposing illegal charges and lease terms on tenants, Defendants collected a profitable windfall because it was unlikely that every consumer would push back against Defendants and successfully enforce their rights in court.

78. There is a causal relationship between the injuries suffered by Minnesota residents and the wrongful conduct Defendants have engaged in that violates Minnesota Statutes section 325F.69.

79. Defendants' conduct, practices, and actions, and material omissions described in this Complaint constitute multiple violations of Minnesota Statutes section 325F.69.¹

COUNT III
UNIFORM DECEPTIVE TRADE PRACTICES ACT
MINN. STAT. § 325D.44, SUBDS. 1(2), 1(9), 1 (13), 1(14)

80. Plaintiff re-alleges all prior paragraphs of this Complaint.

81. Minnesota Statutes section 325D.44, subdivision 1, states:

A person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person:

(2) causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services;

(9) advertises goods or services with intent not to sell them as advertised;

(13) engages in (i) unfair methods of competition, or (ii) unfair or unconscionable acts or practices; or

(14) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

¹ Conduct occurring on or after August 1, 2023, corresponds with Minnesota Statutes section 325F.69, subdivision 8.

82. Defendants are “persons” within the meaning of this statute.

83. Defendants have repeatedly violated Minnesota Statutes section 325D.44, subdivision 1, by engaging in the deceptive and fraudulent conduct described in this Complaint with respect to the rental of residential properties. Those deceptive acts and practices include, but are not limited to:

- (a) Misrepresented to tenants that they can be obligated to pay Defendants’ routine business expenses, like turnover costs, including normal wear and tear;
- (b) Misrepresenting to tenants that Defendants can charge tenants their own business expenses at turn-over, such as COVID sanitization, routine cleaning, and cleaning supplies;
- (c) Confusing tenants with vague, non-descript dollar amounts charged to them at the end of their tenancies;
- (d) Misrepresenting a security deposit to tenants as a nonrefundable fee regardless of the condition of the home at move-out; and
- (e) Misrepresenting to tenants that they are responsible for routine turnover and ordinary wear by referring tenant accounts to debt collectors without a basis for the charges.

84. The term “unfair or unconscionable act or practice” means any “act[] or practice that: (1) offends public policy as established by the statutes, rules, or common law of Minnesota; (2) is unethical, oppressive, or unscrupulous; or (3) is substantially injurious to consumers.” Minn. Stat. § 325F.69, subd. 8; *see* Minn. Stat. § 325D.44, subd. 2(b).

85. Defendants' actions described above are also unfair or unconscionable practices because all the conduct above is detrimental to fair dealings, especially in light of the substantial power imbalance in favor of the landlord. Defendants violated tenants' reasonable expectation that their landlord would comply with the law. When Defendants engaged in a widespread pattern and practice of imposing illegal charges and lease terms on tenants, Defendants collected a profitable windfall because it was unlikely that every consumer would push back against Defendants and successfully enforce their rights in court.

86. There is a causal relationship between the injuries suffered by Minnesota residents and the wrongful conduct Defendants have engaged in that violates Minnesota Statutes section 325D.44.

87. Defendants' conduct, practices, and actions, and material omissions described in this Complaint constitute multiple violations of Minnesota Statutes section 325D.44, subdivision 1(2), 1(9), 1(13), and 1(14).²

PRAYER FOR RELIEF

WHEREFORE, the State of Minnesota, by its Attorney General, Keith Ellison, respectfully asks this Court to award judgment against Defendants as follows:

1. Declaring that Defendants' actions, as set forth above, constitute multiple, separate violations of Minnesota Statutes section 325F.69, subdivisions 1 and 8; Minnesota Statutes section 325D.44, subdivision 1; and Minnesota Statutes section 504B.178.

2. Enjoining Defendants and their employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries, and all other persons acting in concert or participation with them, from engaging in unfair or

² Conduct occurring on or after August 1, 2023, corresponds with Minnesota Statutes section 325D.44, subdivision 1(13).

deceptive practices and making false, misleading, or confusing statements in violation of Minnesota Statutes sections 325F.69, subdivisions 1 and 8, and 325D.44, subdivision 1;

3. Enjoining Defendants and their employees, officers, directors, agents, successors, assignees, affiliates, merged or acquired predecessors, parents or controlling entities, subsidiaries, and all other persons acting in concert or participation with them, from violating Minnesota Statutes section 504B.178, subdivision 3.

4. Awarding judgment against Defendants for restitution under the *parens patriae* doctrine, the general equitable powers of this Court, Minnesota Statutes section 8.31, and any other authority, for all persons harmed by Defendants' acts as described in this Complaint;

5. Awarding judgment against Defendants for civil penalties pursuant to Minnesota Statutes section 8.31, subdivision 3, for each separate violation of Minnesota Statutes sections 325F.69, 325D.44, and 504B.178;

6. Awarding the State of Minnesota its costs, including litigation costs, costs of investigation, and attorneys' fees, as authorized by Minnesota Statutes section 8.31, subdivision 3(a); and

7. Granting such further relief as provided by law or equity or as the Court deems appropriate and just.

Dated: August 12, 2025

KEITH ELLISON
Attorney General
State of Minnesota

/s/ Rebecca Huting
REBECCA HUTING (#0397506)
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Attorneys for Plaintiff, State of Minnesota

MINN. STAT. § 549.211 ACKNOWLEDGMENT

The party on whose behalf the attached document is served acknowledges through its undersigned counsel that sanctions, including reasonable attorney fees and other expenses, may be awarded to the opposite party or parties pursuant to Minn. Stat. § 549.211.

/s/ Rebecca Huting
REBECCA HUTING

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