

STATE OF MINNESOTA
COUNTY OF HENNEPIN

DISTRICT COURT
FOURTH JUDICIAL DISTRICT

Case Type: Civil Other

State of Minnesota, *et al. ex rel.* Jodi Pugh,
Plaintiff-Relator,

Court File No. 27-CV-24-3694

vs.

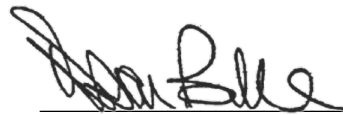
ORDER

Sun Communities, Inc.,
Defendant.

ORDER

Having reviewed the terms of the foregoing Consent Judgment, which is incorporated herein by reference, and which the Court finds reasonable and appropriate, it is SO ORDERED.

Date: June 12, 2025



SUSAN N. BURKE
District Court Judge

THERE BEING NO CAUSE FOR FURTHER DELAY, LET JUDGMENT BE ENTERED IMMEDIATELY.

STATE OF MINNESOTA
COUNTY OF HENNEPIN

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Case Type: Civil Other

State of Minnesota, *et al. ex rel.* Jodi Pugh,
Plaintiff-Relator,

Court File No. 27-CV-24-3694

vs.

CONSENT JUDGMENT

Sun Communities, Inc.,
Defendant.

WHEREAS, Sun Communities, Inc. is a Michigan based real estate investment company with its principal office location at 27777 Franklin Rd., Suite 200, Southfield, MI 48034. Sun Communities Operating Limited Partnership is a company affiliated with Sun Communities, Inc. and registered to do business in Minnesota as a foreign limited partnership (collectively, “Sun”).

WHEREAS, during the relevant period Sun owned and operated a manufactured home community in Stewartville, Minnesota at 105 20 St. NW, Stewartville, MN 55976.

WHEREAS, Relator Jodi Pugh filed a qui tam action in Hennepin County, the State of Minnesota’s Fourth Judicial District, against Sun Communities, Inc., pursuant to the qui tam provisions of the Minnesota False Claims Act, Minn. Stat. § 15C.01, *et seq.* (“MFCA”) (the “Civil Action”), on March 11, 2024;

WHEREAS, the State of Minnesota was named as a Plaintiff in the Civil Action pursuant to the provisions of the MFCA;

WHEREAS, the State of Minnesota contends that it has certain civil claims pursuant to Minnesota Statutes chapter 15C, and section 8.31, against Sun arising from claims for payment

Sun submitted and/or caused to be submitted to the Minnesota Housing and Finance Agency (“MHFA”) in connection with the RentHelpMN (“RentHelp”) program during the period from 2021 through 2022. Minnesota contends that Sun submitted and/or caused the submission of false and fraudulent claims to MHFA by repeatedly falsely certifying that Sun would not (1) file an eviction within 30 days of receiving a RentHelp payment or (2) file eviction for non-payment of rent for a time period covered by RentHelp, while knowingly filing such eviction actions in violation of the RentHelp certification during the same period. Minnesota further contends that prior to a policy change in 2023, Sun charged excessive pet and late fees in violation of Minn. Stat. § 327C.03, subd. 3, and Minn. Stat. § 504B.177. The conduct referred to in this paragraph is referred to below as the Covered Conduct;

WHEREAS, Sun denies the foregoing allegations and, without admitting fault or liability, and expressly denying the same, desires to avoid the burden, distraction and costs associated with litigation;

WHEREAS, Relator claims entitlement under Minn. Stat. § 15C.13 to a share of the proceeds of this Consent Judgment and Order and Relator reserves claims to reasonable expenses, attorneys’ fees and/or costs;

WHEREAS, through this Consent Judgment and Order (“Order”), the Minnesota Attorney General (“Attorney General”), Relator Jodi Pugh (“Relator”), and Sun desire to resolve fully the Civil Action and all claims relating to, or arising from, the Covered Conduct; and

NOW, THEREFORE, Sun, Relator, and the Attorney General hereby agree to entry of an Order with the following terms and conditions:

I. INJUNCTIVE RELIEF

Sun, including its principals, officers, directors, employees, agents, affiliates, subsidiaries, successors, and those acting in concert or participation with Sun who receive actual notice of this Order, shall comply with the following permanent injunctive terms and provisions:

1. For all residential rental properties, including but not limited to manufactured home parks, owned and operated by Sun within the State of Minnesota, Sun must comply with Minn. Stat. § 504B.321 and the following pre-eviction notice requirements. Before filing an eviction action, Sun must provide a resident with a notice informing them of the planned eviction filing. In addition to the notice requirements listed in § 504B.321 Subd. 1a, the required notice must include (1) the basis for the eviction action, (2) which fees are due and the total amount due, (3) contact information for who can take payment, and (4) when fees are due. This notice must be mailed or hand delivered to the resident. Sun shall not begin any eviction process until 30 days after the notice is mailed or hand delivered to the resident. After 30 days, Sun may begin the eviction process if the total amount due is not paid, or if the resident to whom the notice was issued has not moved out.

2. For all manufactured home parks owned and operated by Sun within the State of Minnesota, Sun may not charge excessive pet fees to residents who own a manufactured home but rents a lot on the manufactured home lot in violation of Minn. Stat. § 327C.03 Subd 3 which states “[t]he park owner may charge an additional fee for pets owned by the resident, but the fee may not exceed \$4 per pet per month.”

3. For all residential rental properties, including but not limited to manufactured home parks, owned and operated by Sun within the State of Minnesota, Sun may not charge a

late fee exceeding eight percent of the overdue rent payment, as required by Minn. Stat. § 504B.177.

4. Sun shall provide notice of this Consent Judgment to all agents and employees of Sun whose knowledge and participation is required to achieve compliance with the injunctive obligations, duties, and responsibilities imposed by this Consent Judgment.

5. Sun shall fulfill the terms of this Consent Judgment, and all of its parents, subsidiaries, affiliates, and successors shall be bound by this Consent Judgment as if they had signed this Consent Judgment, so as to accomplish the full relief contemplated by this Consent Judgment. Sun 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 Consent Judgment.

II. MONETARY PAYMENT

6. Sun shall pay to the State of Minnesota the sum of \$135,000 (the “Settlement Sum”), of which \$33,824.09 is restitution, pursuant to Minn. Stat. §§ 8.31 and 15C.01 *et seq.*, no later than ten (10) days after the date on which the Court signs this Consent Judgment and Order.

7. After payment to Relator discussed *infra* at paragraph 9, the net proceeds of the Settlement Sum received by the State of Minnesota shall be deposited and credited as follows in accordance with Minn. Stat. § 15C.15:

- a. Pursuant to Minn. Stat. § 15C.15 subd. 1(1), which requires that the actual damages that the State sustains because of an act specified in section 15C.02 be credited to the fund that sustained the damages, \$33,824.09 shall be credited to the bank account maintained by Minnesota Housing Finance Agency related to housing assistance funds at issue by following the wire

transfer instructions provided to the Attorney General by the Minnesota Housing Finance Agency.

- b. Pursuant to Minn. Stat. §§ 15C.15 subd. 1(3), 8.31 Subd. 3, and 16A.151 the remainder of the Settlement Sum shall be credited to the State's general fund.

8. Sun shall pay the Settlement Sum of \$135,000 as follows. \$101,175.91 shall be paid by wire transfer to the Attorney General, and \$33,824.09 shall be paid by wire transfer to MHFA, pursuant to the wire-transfer instructions provided by the Attorney General's Office.

9. Conditioned upon the State of Minnesota receiving the Settlement Sum and as soon as feasible after receipt, the Attorney General shall pay \$27,000 to Relator by issuing a check in that amount to Berger Montague PC pursuant to Minn. Stat. § 15C.13 ("Relator's Share").

III. GENERAL TERMS

10. The Parties are entering into this Consent Judgment for the purpose of compromising and resolving the Civil Action and claims relating to the Covered Conduct and to avoid the expense of further litigation and without adjudication of any issue of fact or law or finding of liability of any kind. Nothing contained in this Consent Judgment shall be construed or deemed an admission by Sun of any wrongdoing or any violation of state or federal law or regulation. Sun expressly denies any liability or wrongdoing and is entering into this Consent Judgment to avoid further inconvenience and costs of litigation.

11. Nothing in this Consent Judgment shall relieve Sun of its obligation to comply with all applicable Minnesota and federal laws and regulations.

12. Subject to the exceptions in paragraph 14 below, and contingent upon the Court's entry of this Consent Judgment and Order and the State of Minnesota's receipt of the Settlement Sum due under Paragraph 6, the Attorney General, by execution of this Consent Judgment, hereby fully and completely releases Sun of any and all claims the Attorney General has or could have asserted for the Covered Conduct under Minn. Stat. §§ 15C.01-15C.16; 327C.03, subd. 3; and 504B.177, up to and including the date of this Consent Judgment.

13. Subject to the exceptions in Paragraph 14 below, and contingent upon the Court's entry of this Consent Judgment and Order and the Attorney General's receipt of the Settlement Sum due under Paragraph 6, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Sun from any and all liability to Relator arising from or related to the Covered Conduct under Minn. Stat. §§ 15C.01-15C.16; 327C.03, subd. 3; and 504B.177, up to and including the date of this Consent Judgment, reserving Relator's right to separately proceed in or settle any potential claims under Minn. Stat. §§ 15C.12.

14. Notwithstanding the release given in Paragraph 12 of this Agreement, or any other term of this Agreement, the following claims and rights of the State of Minnesota are specifically reserved and are not released:

- a. 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;
- b. Any liability arising under the Minnesota statutes, laws, or regulations regarding taxation;
- c. Any criminal liability;

- d. Any liability arising under federal or state securities or antitrust codes, laws, or regulations;
- e. Any liability arising under state environmental codes, laws, or regulations;
- f. Except as explicitly stated in this Consent Judgment, any administrative liability, action, or enforcement right, including the suspension and debarment rights of any federal, state, or local agency, or any administrative remedy;
- g. Any liability to political subdivisions of the State of Minnesota;
- h. Any liability to the State of Minnesota (or its agencies) for any conduct other than the Covered Conduct;
- i. Any liability based upon obligations created by this Consent Judgment; and
- j. Any liability for property damage.

15. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Consent Judgment but agree and confirm that this Consent Judgment is fair, adequate, and reasonable under all the circumstances, pursuant to Minn. Stat. § 15C.08(e). Conditioned upon Relator's receipt of the Relator's Share, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the State of Minnesota, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under Minn. Stat. § 15C.01 *et seq.* and from any claims to a share of the proceeds of this Consent Judgment and/or the Civil Action.

16. Sun fully and finally releases the State of Minnesota, its agencies, officers, agents, employees, and servants, from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Sun has asserted, could have asserted, or may assert

in the future against the State of Minnesota, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the State of Minnesota's investigation or prosecution thereof.

17. Sun fully and finally releases the Relator from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Sun has asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct and the Relator's investigation and prosecution thereof.

18. This Consent Judgment is intended to be for the benefit of the Parties only.

19. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Consent Judgment, except for Relator's reservation of the right to separately proceed on or settle any potential claims under Minn. Stat. § 15C.12.

20. Each Party and signatory to this Consent Judgment represents that it freely and voluntarily enters into this agreement without any degree of duress or compulsion.

21. This Consent Judgment may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Consent Judgment may be executed by facsimile or electronic copy in any image format.

22. The undersigned counsel represent and warrant that they are fully authorized to execute this Consent Judgment on behalf of the persons and entities indicated below.

23. The person signing this Consent Judgment for Sun warrants that the Board of Directors of Sun has authorized them to execute this Consent Judgment, that Sun has been fully advised by its counsel before entering into the Consent Judgment, and that he or she executes this Consent Judgment in an official capacity that binds Sun.

24. This Consent Judgment constitutes the full and complete terms of the agreement entered into by Sun and the Attorney General.

25. The Court shall retain jurisdiction of this matter for purposes of enforcing the Consent Judgment and Order.

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

Emily Scholtes Dykstra
Assistant Attorney General
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 600
St. Paul, Minnesota 55101

John Albanese
Ariana B. Kiener
Berger Montague PC
1229 Tyler Street NE, Suite 205
Minneapolis, MN 55413

John Buhta
Southern Minnesota Regional Legal Services, Inc.
903 West Center Street, Suite 230
Rochester, MN 55902

James Poradek
Housing Justice Center
Northwestern Building
275 East Fourth Street, Suite 590
Saint Paul, MN 55101

Aaron Thomas
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South 8th Street
Minneapolis, MN 55402-2157

27. The failure of a party to exercise any rights under this Consent Judgment shall not be deemed to be a waiver of any right or any future rights.

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

29. Nothing in this Consent Judgment shall be construed to limit the power or authority of the State of Minnesota or the Attorney General except as expressly set forth herein.

30. Sun 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 Sun.


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

32. 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.

33. On or before executing this Consent Judgment, Sun shall provide the Attorney General with their taxpayer identification number (TIN). Sun understands that it may be subject to a penalty if it fails to provide the Attorney General with its TIN pursuant to 26 C.F.R. 6723, 26 C.F.R. 6724(d)(3), and 26 C.F.R. 301.6723-1. Sun shall also cooperate in the Attorney General's Office's completion of Internal Revenue Service Form 1098-F by providing the Attorney General by December 31, 2025, any additional necessary information requested by the Attorney General's Office.

34. The Parties consent to entry of the foregoing Consent Judgment, which shall constitute a final judgment. The judgment shall take effect immediately upon entry by the clerk of this Court.

SUN COMMUNITIES, INC. - DEFENDANT

DATED: 6/9/2025 BY: 
Bruce Thelen

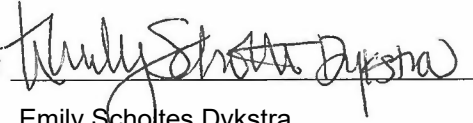
DATED: _____ BY: _____

JODI PUGH - RELATOR

DATED: 6/5/2025 | 4:03:33 PM BY:  Signed by:
BFAF54507610420...
JODI PUGH

DATED: _____ BY: _____

KEITH ELLISON
ATTORNEY GENERAL
STATE OF MINNESOTA

DATED: 6/5/25 BY: 

Emily Scholtes Dykstra
Assistant Attorney General
Atty. Reg. No. 0398939
Office of the Minnesota Attorney General
445 Minnesota Street, Suite 600
Saint Paul, MN 55101
emily.scholtesdykstra@ag.state.mn.us