STATE OF MINNESOTA | DISTRICT COURT

COUNTY OF HENNEPIN | FOURTH JUDICIAL DISTRICT

Case Type: Civil Other

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

Plaintiff,

vs.

Partners in Nutrition, Inc. d/b/a Partners in Quality Care

Defendant.

Court File No. ______

CONSENT JUDGMENT

WHEREAS, this Consent Judgment is entered into between the State of Minnesota, by its Attorney General, Keith Ellison ("Attorney General") and Defendant Partners in Nutrition, Inc. d/b/a Partners in Quality Care ("PIN");

WHEREAS, the Attorney General is authorized under Minnesota Statutes chapter 15C to act as the prosecuting attorney to enforce and provide relief for violations of Minnesota's False Claims Act, with respect to knowingly false or fraudulent claims involving money, property, or services provided by the state;

WHEREAS, Defendant PIN is a nonprofit corporation organized under the laws of Minnesota and with a principal place of business located at 7216 Braemar Lane, Woodbury, Minnesota 55125;

WHEREAS, between 2016 and 2022, PIN acted as a sponsor under the federal Child and Adult Care Food Program ("CACFP") and Summer Food Service Program ("SFSP"), two food assistance programs operated by the USDA and administered in Minnesota by the Minnesota Department of Education ("MDE");

WHEREAS, at all times relevant to this Consent Judgment, the MDE was the administering state agency responsible for CACFP and SFSP, and pursuant to that authority, MDE made payments of money received from USDA to sponsors such as PIN based on claims submitted under those programs;

WHEREAS, PIN is no longer a sponsor under any federal food program;

WHEREAS, PIN maintains that since May 2022, it has retained over $18 million in program dollars received from MDE as part of prior work as a sponsor under CACFP and SFSP, which amount has been earning interest in federally insured accounts;

WHEREAS, in January 2023, the Attorney General issued a Civil Investigative Demand to PIN seeking information and documents related to PIN's compliance with certain charities laws related to governance (not PIN's participation in CACFP and/or SFSP), claiming a reasonable belief that PIN and its officers and directors had violated the Minnesota Charitable Solicitation Act, Minn. Stat. ch. 309, the Minnesota Supervision of Charitable Trusts and Trustees Act, Minn. Stat. §§ 501B.33-.45, and the Minnesota Nonprofit Corporations Act, Minn. Stat. ch. 317A by failing to properly administer and use assets held for charitable purposes, breached fiduciary duties, failing to comply with statutory requirements for nonprofit corporations, and engaging in charitable solicitation without registration ("2023 CID"), and PIN complied with the 2023 CID;

WHEREAS, in October 2025, the Attorney General issued another Civil Investigative Demand to PIN seeking information and documents, claiming a reasonable belief that PIN and its officers and directors, acting as sponsors of sites participating in the CACFP and SFSP programs, had violated the Minnesota False Claims Act by knowingly submitting and/or causing to be submitted to the MDE false claims for reimbursements ("2025 CID");

WHEREAS, PIN has cooperated with the AGO's investigation and responded to the 2025 CID by providing written interrogatory answers, producing over one million pages of documents, and making available for inspection other sources of responsive information;

WHEREAS, the Attorney General filed a Complaint in this matter on September 24, 2026 alleging that PIN violated the Minnesota False Claims Act by submitting and/or causing to be submitted to the Minnesota Department of Education ("MDE") false claims related to meals and snacks purportedly provided by sites sponsored by PIN in the CACFP and SFSP programs during the time period from October 2020 through 2021; and

WHEREAS, PIN denies the allegations asserted by the Attorney General in the Complaint and states that there are meritorious affirmative defenses it could pursue; and

WHEREAS, the Attorney General and PIN (collectively, "the Parties") desire to resolve fully the claims set forth in the Complaint and any affirmative defenses held by PIN by entering into this Consent Judgment, as well as any claims that could have been made under the Charitable Act, the Charitable Supervision Act, or the Nonprofit Act.

I. REPRESENTATIONS AND WARRANTIES

1. On June 1, 2026, PIN produced to the Attorney General financial disclosures, signed under penalty of perjury, attesting to PIN's assets, liabilities, and other financial information. PIN represents and warrants for purposes of this Consent Judgment that the financial disclosures it has provided to the Attorney General were true, accurate, and complete. On September 22, 2026 PIN produced certain supplemental financial disclosures as requested by the

Attorney General. The Attorney General has relied on PIN's financial disclosures in entering into this Consent Judgment.

II. INJUNCTIVE RELIEF

2. PIN shall comply with the following permanent injunctive terms and provisions:

a. PIN shall enter into a Close Out Procedures Agreement with the Minnesota Department of Education, appended as Attachment A.

b. Within twenty-one (21) calendar days of PIN paying the Settlement Sum pursuant to Paragraph 5 below, PIN (via its undersigned representative) shall begin the voluntary dissolution process pursuant to Minnesota Statutes section 317A.721, wind up any remaining affairs, and take all necessary and appropriate steps to liquidate its remaining assets in accordance with this Consent Judgment and applicable law, including Minnesota Statutes sections 317A.701 through 317A.813 and 501B.31. All net proceeds from such liquidation shall be deposited into PIN's bank account and not used or accessed for any purpose except for those described in this Consent Judgment.

c. At least 45 days before filing Articles of Dissolution with the SOS, PIN shall submit a Notice of Intent to Dissolve to the AGO meeting the requirements of Minnesota Statutes section 317A.811 and following the form provided by the AGO on its website. This notice shall identify the intended recipient(s), if any, of any of PIN's remaining assets, to the extent any exist, as well as provide all other information requested in the form and required by law. The recipient charitable organization(s) must be exempt under section 501(c)(3) of the Internal Revenue Code of 1986 with a similar charitable mission to PIN. The AGO may extend the dissolution waiting period in accordance with Minn. Stat. section 317A.811, subd. 3.

d. Following the completion of the above terms and other statutory requirements, as well as the expiration of the waiting period unless waived by the AGO, PIN's board of directors shall cause PIN to be dissolved, pursuant to Minnesota Statutes sections 317A.701 through 317A.813, within the later of:

(i) One hundred and eighty (180) days of the Court entering this Consent Judgment and Order;

(ii) If applicable, thirty (30) days after the final resolution of all creditor claims under Minn. Stat. 317A.729; or

(iii) If applicable, a later date that the AGO at its sole discretion determines and specifies in writing, including upon application by PIN for an extension of the dissolution date.

e. Within 10 days of dissolution, PIN shall either confirm in writing that it had no charitable assets to transfer or convey or provide documentation to the AGO reflecting the transfer or conveyance of charitable assets to the nonprofit recipient(s) designated by and listed in PIN's Notice of Intent to Dissolve as required under Minnesota Statutes section 317A.811, subd. 4. Upon the written request of the AGO, PIN shall promptly provide additional documentation that the State, in its sole discretion, deems reasonably necessary to verify the transfer or conveyance of assets. The AGO reserves all rights, and does not waive, its authority to ensure compliance with Minn. Stat. sections 317A.811, 501B.31, and other laws applicable to the dissolution of the nonprofit and disposition of its assets.

f. Except as reasonably necessary to effect the requirements of the Close Out Procedures Agreement and the corporate dissolution described in this Consent Order, PIN shall not hereinafter conduct any business, directly or indirectly, individually or in conjunction with any other person or entity, in the State of Minnesota, including but not limited to participating in CACFP or SFSP.

g. PIN shall not hereinafter, whether directly, indirectly, individually, representatively, or in conjunction with or through any other person or entity, solicit or accept any charitable contributions. For purposes of this Paragraph 2(g), PIN shall be permitted to accept monies that may be donated by any current PIN board member(s), between the date of the Consent Judgment and PIN's final dissolution pursuant this Paragraph 2, for the sole and limited purpose of satisfying PIN's remaining financial obligations and winding up its corporate affairs. Within ten (10) days of dissolution, PIN shall confirm to the AGO in writing whether it received any such monies from any current PIN board member(s), and if so, the purpose(s) for which those monies were used.

h. PIN, through its officers and directors, shall have a duty to fully, completely, truthfully, and promptly cooperate with the State in its compliance monitoring or investigation of any suspected violations of PIN's dissolution obligations pursuant to Paragraphs 2(a) through 2(g), including promptly providing information related to PIN's dissolution requested by the AGO.

3. Within fourteen (14) days of executing this Consent Judgment, PIN shall electronically produce to the AGO via a ShareFile link any additional non-privileged documents and communications during the period of January 2020 to June 2022 that hit on the AGO's supplemental search terms, which the AGO provided to PIN's counsel on September 15, 2026, and that were not already produced to the AGO in response to the 2025 CID. PIN shall not be required to produce documents that hit on the AGO's supplemental search terms, and that also hit on any of the following terms: "Stinson," "Conneely," "Asp," "Eastburn," "Harmon," "Kerfeld,"

"Tewksbury," "Weinhart," "attorney-client," or "(privilege* not w/3 confidential)." To the extent that the AGO determines that certain documents produced pursuant to this Consent Judgment may be privileged or protected from disclosure, the AGO shall take reasonable efforts to notify PIN and return, sequester, or destroy such documents. The AGO acknowledges that PIN may share any and all documents produced pursuant to this Consent Judgment or in response to the 2023 CID or 2025 CID with third parties on terms that are agreeable to PIN.

4. *Anti-Circumvention.* PIN shall fulfill the terms of this Consent Judgment, to accomplish the full relief contemplated by this Consent Judgment. PIN shall not effect any change in their 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.

III. MONETARY PAYMENT

5. PIN shall pay the sum of $18,517,909.27 (the "Settlement Sum"), all of which is being claimed by the Attorney General as actual damages sustained by the state, pursuant to Minn. Stat. §§ 8.31 and 15C.01 *et seq.*, no later than ten (10) business days after the date on which the Court signs this Consent Judgment and Order.

6. The proceeds of the Settlement Sum 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, $18,517,909.27 shall be credited to MDE's Federal Child Nutrition Reimbursement Account.

7. PIN shall pay the Settlement Sum as follows. $18,517,909.27 shall be paid by wire transfer to MDE, pursuant to the wire-transfer instructions provided by the Attorney General's Office. PIN shall provide at least one-day advance notice to the Attorney General's Office before the wire transfer as well as a copy of the outgoing wire receipt.

IV. RELEASE

8. In consideration of the stipulated relief, the sufficiency of which is acknowledged, and contingent upon the Court's entry of this Consent Judgment and Order, the Attorney General, by execution of this Consent Judgment, hereby fully and completely releases PIN from any and all claims, known or unknown, contingent or non-contingent, from the beginning of time through the date of the Court's entry of this Consent Judgment and Order, that were or could have been made in the Complaint, under Minn. Stat. 15C.01 *et seq.*, or under the Charitable Act, the Charitable Supervision Act, or the Nonprofit Act. The Attorney General also fully and completely releases PIN from any further obligation under any and all civil investigative demands that have been served on PIN by the Minnesota Attorney General's Office as of the date of this Consent Judgment and Order.

9. Notwithstanding any term of this Consent Judgment and Order, all other claims, whether legal or equitable, criminal or civil, known or unknown, or based on state or federal law are reserved by the Attorney General and are not settled, released, or resolved through this Consent Judgment, including:

a. State or federal antitrust violations;

b. State or federal securities violations;

c. State or federal tax violations;

d. Criminal liability;

e. Private rights of action, including any claims against PIN or any other person or entity involving any private causes of action, claims, and remedies including, but not limited to, private causes of action, claims, or remedies provided for under Minn. § 8.31;

f. Any federal or state administrative liability, action, or enforcement right, including the suspension and debarment rights of any federal, state, or local agency, or any administrative remedy;

g. Claims of any other Minnesota state agency, department, official, or division;

h. Any and all claims the Attorney General may have against past or present employees, officers, or directors of PIN involved in PIN's operation as a CACFP and SFSP sponsor during the relevant period;

i. Any and all claims the Attorney General may have against past or present site operators (including past or present employees, officers, or directors of such site operators) sponsored by PIN;

j. Any and all claims the Attorney General may have against vendors (including past or present employees, officers, or directors of such vendors) that contracted with or purportedly provided services to site operators sponsored by PIN; and

k. Any action to enforce this Consent Judgment.

V. STAYED CIVIL PENALTY

10. PIN shall pay a stayed civil penalty as described below to the Attorney General, which may only be enforced against PIN only upon formal motion or other written application to the Court by the Attorney General, with notice and an opportunity for PIN to respond to such

application, and a final order or judgment by the Court that PIN has materially violated the terms of this Consent Judgment and Order:

a. by failing to provide the Attorney General with materially accurate and complete financial disclosures of PIN's assets, liabilities, and other financial information;

b. by materially violating the terms of the Injunctive Relief provided in Paragraph 4; or

c. by materially violating the terms of the Monetary Relief as provided in Paragraphs 5 and 7.

If, as described in Paragraph 10(a), the stayed civil penalty is triggered by PIN's failure to provide materially accurate and complete financial disclosures of PIN's assets, liabilities, and other financial information, the amount of the stayed civil penalty shall be $1,000,000 plus the entirety of any non-disclosed assets in existence at the time of PIN's prior financial disclosures to the Attorney General. If, as described in Paragraph 10(b) and (c), the stayed civil penalty is triggered by PIN's material violation of the Injunctive Relief provided in Paragraph 4 or by a material violation of the terms of the Monetary Relief as provided in Paragraphs 5 and 7, the amount of the stayed civil penalty shall be $1,000,000. The release in paragraph 8 does not prevent the Attorney General from moving for, or collecting, the stayed civil penalty described in this Paragraph. The Court shall decide whether and how to hold an evidentiary hearing and other procedures in connection with its ultimate order regarding whether the stayed civil penalty shall be imposed. Further, the Parties acknowledge that it shall not be a violation of this Paragraph, nor any other Paragraph of this Agreement, for PIN to accept and use—and the AGO shall not be entitled to recover from PIN—any monies that may be donated or gifted to PIN by any current PIN board member(s), between the date of the Consent Judgment and PIN's final dissolution pursuant to paragraph 2 of this Agreement, for the sole and limited purpose of satisfying PIN's remaining financial obligations and winding up its corporate affairs.

VI. GENERAL TERMS

11. *No Effect on Other Laws.* Nothing in this Consent Judgment shall relieve PIN of its obligation to comply with all applicable Minnesota and federal, local, or tribal laws and regulations.

12. *Non-admission of Liability.* This Consent Judgment is not an admission of liability by PIN. PIN expressly denies any liability, and the Parties acknowledge that PIN is entering into this Consent Judgment merely to avoid having to engage in prolonged litigation of contested claims.

13. *Execution.* 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.

14. *Authority to Bind.* The person signing this Consent Judgment for PIN warrants that PIN's Board of Directors has authorized the person to execute this Consent Judgment and that he or she executes this Consent Judgment in an official capacity that binds PIN.

15. *Complete Agreement.* This Consent Judgment constitutes the full and complete terms of the agreement entered into between the Attorney General and PIN.

16. *Retained Jurisdiction, Enforcement, and Equitable Relief.* The Court shall retain jurisdiction of this matter for purposes of enforcing this Consent Judgment. The Attorney General may make such application as appropriate to enforce the provisions of this Consent Judgment. The Attorney General may maintain any action within his legal authority for such other and further relief as he determines is proper and necessary for the enforcement of this Consent Judgment. PIN understands that if the Court holds that PIN has committed a violation of this Consent Judgment,

that such violation may be subject to sanctions for contempt. The Parties agree that, in any action brought to enforce or interpret the terms of this Consent Judgment, the Court shall have the authority to award equitable relief, including specific performance.

17. *Notices.* Notices or communications required by or related to this Consent Judgment must be sent via certified mail or emailed to 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 800
St. Paul, Minnesota 55101
emily.scholtesdykstra@ag.state.mn.us

Partners in Nutrition, Inc. d/b/a Partners in Quality Care
Attn: Board Secretary
C/O Andrew Leiendecker
Stinson LLP
50 South Sixth Street, Suite 2600
Minneapolis MN 55402
andrew.leiendecker@stinson.com

If mail or email is returned or indicated as undeliverable, notice on the Attorney General shall be made to the Manager or Deputy of the AGO's Consumer Protection Division, or any successor division that is responsible for civil enforcement of Minnesota's consumer protection laws.

18. *Notifying Participating Persons.* Defendant PIN shall notify its current directors of PIN's obligations, duties, and responsibilities imposed on them by this Consent Judgment.

19. *Non-Waiver.* 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.

20. *Governing Law.* This Consent Judgment, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota. Either party may petition the Court to interpret this Consent Judgment.

21. *Non-limitation on AGO Authority.* 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.

22. *Representation.* Each of the parties participated in the drafting of this Consent Judgment, and each of the parties agrees that the Consent Judgment's terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.

23. *IRS Form 1098-F Cooperation.* On or before executing this Consent Judgment, PIN shall provide the Attorney General with their taxpayer identification number (TIN). PIN shall also cooperate in the Attorney General's Office's completion of Internal Revenue Service Form 1098-F (Fines, Penalties, and Other Amounts) by providing the Attorney General any additional information requested by the Attorney General's Office relating to the form.

24. *IRS Form 1098-F Reporting.* 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."

25. *Further Acts.* Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out the express provisions of this Consent Judgment.

26. *Entry of Final Judgment.* 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.

KEITH ELLISON
ATTORNEY GENERAL
STATE OF MINNESOTA

Date: 9/23/2026

By: /s/ Emily Scholtes Dykstra
Emily Scholtes Dykstra
Assistant Attorney General

Date: 9/23/2026

By: ____________________
Aaron Twait, Board President
On behalf of Defendant Partners in Nutrition, Inc.,
d/b/a Partners in Quality Care

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:________________________

____
District Court Judge

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

ATTACHMENT A

CLOSEOUT PROCEDURES AGREEMENT

The Office of the Minnesota Attorney General ("AGO") and Partners in Nutrition d/b/a Partners in Quality Care ("PIN") entered into a Consent Judgment. This Attachment, which constitutes an Agreement with the Minnesota Department of Education ("MDE"), is part of that Consent Judgment and the terms of this Attachment are incorporated into the Consent Judgment. As stated in the AGO's Complaint against PIN, the AGO contends it has certain civil claims pursuant to Minnesota Statutes, chapter 15C against PIN for presenting false claims to MDE pursuant to PIN's participation in the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP). MDE and PIN agree to the requirements contained in this Attachment without admitting to any allegations, whether contained in the Consent Judgment or the AGO's Complaint.

WHEREAS, the SFSP and CACFP are federal nutrition programs administered by MDE in the State of Minnesota on behalf of the United States Department of Agriculture (USDA).

WHEREAS, PIN was the subrecipient of federal SFSP and CACFP funds from MDE, a pass-through entity that provides a subaward to a subrecipient to carry out part of a federal program. 2 C.F.R. 200.1.

WHEREAS, termination of PIN's agreement to administer the SFSP occurred when PIN's participation in the SFSP ended. *See* 7 C.F.R. § 225.6(i).

WHEREAS, PIN's agreement to participate in the CACFP was terminated. 7 C.F.R. § 226.6(c)(3)(iii)(E).

WHEREAS, a pass-through entity must close out a federal award when all administrative actions and required work of the award have been completed. 2 C.F.R. § 200.344(a).

WHEREAS, pursuant to 2 C.F.R. §§ 225.18(a), 226.25(a), "closeout procedures" for the SFSP and CACFP are "in accordance with 2 CFR part 200, subpart D and USDA implementing regulations 2 CFR part 400 and part 415, as applicable."

WHEREAS, closeout procedures include a subrecipient promptly refunding any unobligated funds that the pass-through entity paid that are not authorized to be retained and the subrecipient accounting for any property acquired with federal funds. *See* 2 C.F.R. § 200.344.

WHEREAS, MDE's standard closeout procedure for SFSP and CACFP subrecipients is to issue a closeout letter with a link to a "Sponsor Closeout Questionnaire".

WHEREAS, a subrecipient's responses to the Sponsor Closeout Questionnaire enable MDE to accurately complete the closeout actions required by 2 C.F.R. § 200.344.

MDE and PIN (hereinafter, the "parties") agree to the following:

1. Within 10 days of the receipt of PIN's wire transfer pursuant to Paragraph 5 of the Consent Judgment, MDE will remit via email to PIN's counsel of record, Andrew Leiendecker and Emily Asp, MDE's standard closeout letter. PIN's failure to complete the wire transfer required by Paragraph 5 of the Consent Judgment shall void this Agreement.

2. PIN shall complete the Sponsor Closeout Questionnaire and return it to MDE no later than 14 days after receipt of the closeout letter.

3. After receipt of the wire transfer referenced in paragraph 1 of this Agreement, MDE will treat those funds as excess federal award funds to be returned to the federal government in accordance with MDE's normal practices and procedures regarding handling of such funds.

4. This Agreement may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement.

5. This Agreement constitutes the full and complete terms of the agreement entered into between MDE and PIN.

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

7. Notices or communications required by or related to this Agreement must be sent via certified mail or emailed to the following persons, or any person subsequently designated by the parties to receive such notices:

   Emily Honer, Director, Nutrition Program Services
   400 NE Stinson Blvd.
   Minneapolis, MN 55413
   emily.honer@state.mn.us

   Partners in Nutrition, Inc. d/b/a Partners in Quality Care
   Attn: Board Secretary
   C/O Andrew Leiendecker, Esq.
   Stinson LLP
   50 South Sixth Street, Suite 2600
   Minneapolis MN 55402
   andrew.leiendecker@stinson.com

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

PARTNERS IN NUTRITION D/B/A PARTNERS IN QUALITY CARE

Dated: 9/23/2026

By: ____________________
Aaron Twait, Board President

MINNESOTA DEPARTMENT OF EDUCATION

Dated: 9/23/2026

By: ____________________
Daron Korte
Assistant Commissioner