STATE OF MINNESOTA

COUNTY OF HENNEPIN

DISTRICT COURT

FOURTH JUDICIAL DISTRICT

Case Type: Other

Court File No. 27-CV-24-3727

State of Minnesota *ex rel.* Corey Dahl and Kiona Adams,

Plaintiffs,

v.

Monarch Investment and Management Group, LLC; Monarch Management, Inc.; Cornerstone Monarch Capital, LLC; MIMG XXXVIII Stone Grove, LLC; MIMG CXXXVII Gates of Rochester, LLC; MIMG XLVIII City Limits, LLC; MIMG XXXII Eden Park, LLC; MIMG CLI Upper Town, LLC; MIMG CXLIII Fountains in the Park, LLC; CMC 1 Meadows of Coon Rapids, LLC; MIMG CLXXXV Winchester Sub LLC; MIMG CLXXXV Heritage Manor Sub LLC; MIMG CLXXXV Crystal Bay Sub LLC; MIMG CLXXXIV Sterling Square Sub LLC, MIMG CLXXXIV French Creek Sub LLC; MIMG CLXXXV Olympik Village Sub LLC; MIMG CLXXXIV W Broadway Sub LLC; and MIMG CCXXV Windsor Gates, LLC,

Defendants.

CONSENT JUDGMENT

WHEREAS, this Consent Judgment is entered into between Plaintiff, the State of Minnesota, by its Attorney General Keith Ellison ("Attorney General") and Defendants, Monarch Investment and Management Group, LLC; Monarch Management, Inc.; Cornerstone Monarch Capital, LLC; MIMG XXXVIII Stone Grove, LLC; MIMG CXXXVII Gates of Rochester, LLC; MIMG XLVIII City Limits, LLC; MIMG XXXII Eden Park, LLC; MIMG CLI Upper Town, LLC; MIMG CXLIII Fountains in the Park, LLC; CMC 1 Meadows of Coon Rapids, LLC; MIMG CLXXXV Winchester Sub LLC; MIMG CLXXXV Heritage Manor Sub LLC; MIMG CLXXXV

Crystal Bay Sub LLC; MIMG CLXXXIV Sterling Square Sub LLC, MIMG CLXXXIV French Creek Sub LLC; MIMG CLXXXV Olympik Village Sub LLC; MIMG CLXXXIV W Broadway Sub LLC; and MIMG CCXXV Windsor Gates, LLC (collectively, "Defendants");

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

WHEREAS, Relators Corey Dahl and Kiona Adams filed this action in Hennepin County, the State of Minnesota's Fourth Judicial District, against Defendants, pursuant to the qui tam provisions of the Minnesota False Claims Act, Minn. Stat. § 15C.01, *et seq.* ("MFCA") (the "Civil Action"), on March 12, 2024;

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

WHEREAS, under the MFCA, Minn. Stat. § 15C.01, subd. 7, the Attorney General is the prosecuting attorney for claims involving money, property, or services provided by the state;

WHEREAS, the Attorney General filed a Complaint in Intervention in this matter on August 14, 2025, alleging that Defendants violated the MFCA, Minn. Stat. § 15C.02(a)(1) and Minn. Stat. § 15C.02(a)(2), as well as Minnesota's Deceptive Trade Practices Act, Minn. Stat. § 325D.44 *et seq.* ("DTPA"), and Prevention of Consumer Fraud Act, Minn. Stat. § 325F.69 *et seq.* ("CFA");

WHEREAS, Defendants filed a Motion to Dismiss the Complaint in Intervention on August 22, 2025;

WHEREAS, the Motion to Dismiss the Complaint in Intervention was denied by the Court on April 6, 2026;

WHEREAS, Defendants answered the Complaint in Intervention on July 22, 2026 and denied the Attorney General's allegations;

WHEREAS, Relators claim entitlement under Minn. Stat. § 15C.13 to a share of the proceeds of this Consent Judgment and Relators reserve claims to reasonable expenses, attorneys' fees and/or costs;

WHEREAS, the Attorney General and Defendants (collectively, "the Parties") desire to resolve fully the claims made on behalf of the State of Minnesota set forth in the Complaint in Intervention by entering into this Consent Judgment;

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

I. DEFINTIONS

For the purposes of this Consent Judgment, the following definitions shall apply:

1. "HOME Line Class Settlement Agreement" shall mean the Class Settlement Agreement, dated August 26, 2024, and approved by Judge Wallace, in *HOME Line v. Monarch Investment and Management Group, LLC*, Court File No. 55-CV-22-1874 (3rd Jud. Dist. Minn.).

II. INJUNCTIVE RELIEF

Defendants, including their principals, officers, directors, employees, agents, independent contractors, affiliates, subsidiaries, and successors shall comply with the following injunctive terms and provisions:

2. For all residential rental properties owned and operated by Defendants within the State of Minnesota, Defendants must comply with Minn. Stat. § 504B.321 and the following pre-eviction notice requirements. Before filing an eviction action for non-payment of rent or other

amounts due under the applicable lease, Defendants must provide a resident with a notice informing them of the planned eviction filing. Pursuant to the notice requirements listed in § 504B.321 Subd. 1a, Defendants' required notice must include (1) the basis for the eviction action, (2) a specific accounting of the amount of the total due from unpaid rent, late fees, and other charges under the lease, (3) contact information for who can take payment. This notice must be mailed or hand delivered to the resident Defendants shall not begin any eviction process for a minimum of 14 days after the notice is mailed or hand delivered to the resident. After a minimum of 14 days, Defendants may begin the eviction process if the total amount due is not paid and if the resident to whom the notice was issued has not moved out. This provision shall not be read to limit or otherwise reduce the eviction notice requirements of Minn. Stat § 504B.321 or of any applicable local jurisdictions that require notice periods longer than 14 days. If Minn. Stat § 504B.321 is substantively amended in the future in a manner that conflicts with the requirements described above, this provision shall sunset after the date of such amendment.

3. For all residential rental properties owned and operated by Defendants within the State of Minnesota, Defendants may not charge tenants attorneys' fees or other legal fees and costs in connection with preparing and filing an eviction Complaint where the Court does not issue a Writ of Recovery and Order to Vacate. This provision shall not apply where the Court has issued an order awarding Defendants with attorneys' costs and fees or where the parties reach a mutually agreeable settlement including such fees and costs. This provision shall sunset seven (7) years after the effective date of this Consent Judgment.

4. For all residential rental properties owned and operated by Defendants within the State of Minnesota, Defendants shall not charge garage late fees without entering into a prior written agreement with the tenant, or other individual, renting garage space, providing clear notice

of the amount and timing of any late fee that might be assessed under the contract as a penalty for late payment. Any such late fees charged by Defendants shall not exceed 8% of the overdue garage rental amount. This provision shall sunset seven (7) years after the effective date of this Consent Judgment.

5. For all residential rental properties owned and operated by Defendants within the State of Minnesota, tenants will receive clear written notice prior to move-in identifying which utility accounts they must establish in their own names. The notice will provide: (1) basic instructions for establishing utility accounts in the tenant's name; (2) the utility companies' contact information; (3) the amount and timing of any fee charged for failing to establish the accounts (hereinafter referred to as a "VCR fee"), including whether that fee may be charged more than once; and (4) the notation for the VCR fee that will appear on the tenant's ledger. Further, Defendants' lease will also clearly state the VCR fee amount and refer to the above-described written notice.

6. As described below, Defendants may charge only a limited number of VCR fees for a tenant's failure to establish utility services in their own name. Defendants may not charge more than two VCR fees for a tenant's initial failure to establish a utility account in the tenant's name, even if the failure is ongoing. Defendants may, however, charge up to two VCR fees for each separate failure during the tenancy. For example, a separate failure may occur when a tenant moves to a new unit requiring new utility accounts or when a tenant cancels an existing utility account and fails to establish a new one. A tenant's continued failure to establish an account does not constitute a "separate failure" within the meaning of this paragraph, and Defendants may not charge multiple VCR fees for the same utility service provider in the same month. This provision shall sunset seven (7) years after the effective date of this Consent Judgment.

7. For residential rental properties owned and operated by Defendants within the State of Minnesota that have shared utility meters, Defendants must comply with Minn. Stat. § 504B.216, subd. 8 and shall not charge any administrative fee, except for a late fee charge permitted under Minn. Stat. § 504B.216, subd. 9, related to the billing for shared utility services, including but not limited to "Vacant Recovery" or "VCR administrative fees" or any other fee, in excess of $8 per month. Where applicable, Defendants may charge a $5 per month late fee as allowed by Minn. Stat. § 504B.216, subd. 9. If Minn. Stat. § 504B.216, subd. 8 or subd. 9 are amended in the future to allow higher fees, Defendants may charge those fees after the effective date of the amendment.

8. For all residential rental properties owned and operated by Defendants within the State of Minnesota, Defendants shall continue to utilize the Required Renters Insurance Waiver Addendum as shown in Exhibit 1 to the HOME Line Class Settlement Agreement, or a document substantially similar in form, and Defendants shall not charge any insurance lapse fee that exceeds $50. This provision shall sunset seven (7) years after the effective date of this Consent Judgment.

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

10. Defendants shall fulfill the terms of this Consent Judgment, and all of their parents, subsidiaries, 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. Defendants 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.

III. MONETARY PAYMENT

11. Defendants shall pay to the State of Minnesota the sum of $265,000 (the "Total Settlement Sum") 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. Of the Total Settlement Sum, $169,209.43 relates to the Attorney General's claims under 15C.01 *et seq.* (hereinafter referred to as "MFCA Settlement Sum") and $95,790.57 relates to the Attorney General's consumer protection claims ((hereinafter referred to as "CP Settlement Sum"). As required by law, these separate portions of the Total Settlement Sum will be credited as follows.

12. After payment to Relators discussed *infra* at paragraph 15, the net proceeds of the MFCA 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, $96,691.10, the full measure of damages under the MFCA, 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 MFCA Settlement Sum shall be credited to the State's general fund.

13. With respect to the CP Settlement Sum, for purposes of Minnesota Statutes section 8.31 and 8.37, the entire CP Settlement Sum of $95,790.57 is restitution, which may be distributed to consumers by the Attorney General in his sole discretion pursuant to Minn. Stat. § 8.31 (the "Consumer Enforcement Public Compensation Amount"). Any remaining funds from the Consumer Enforcement Public Compensation Amount shall be remitted in accordance with

Minnesota Statutes section 8.31, subd. 2c. Monies from the CP Settlement Sum may also be used for settlement administration expenses, including payment to a settlement administrator, which expenses shall be paid by the State of Minnesota.

14. Defendants shall pay the total Settlement Sum of $265,000 as follows. $168,308.90, shall be paid by wire transfer to the Attorney General and $96,691.10 shall be paid by wire transfer to MHFA, pursuant to the wire-transfer instructions provided by the Attorney General's Office.

15. Conditioned upon the State of Minnesota receiving the total Settlement Sum and as soon as feasible after receipt, the Attorney General shall pay $42,302.36 to Relators by issuing a check in that amount to Berger Montague PC pursuant to Minn. Stat. § 15C.13 ("Relator's Share").

IV. STAYED CIVIL PENALTY

16. Defendants shall pay a stayed civil penalty of $100,000 to the Attorney General only after application to the Court, with an opportunity for Defendants to respond to such application, and a finding by the Court that Defendants have materially violated the terms of this Consent Judgment and Order, including but not limited to by failing to abide by the Injunctive Relief outlined in paragraphs 2-10. The release in paragraph 19 does not prevent the Attorney General from moving for, or collecting, the stayed civil penalty described in this paragraph.

17. The Attorney General may not file an application to move for collection of the stayed civil penalty without first sending written notice to Defendants identifying in detail the factual basis for the claimed material violation of this Consent Judgment and Order. If such notice is provided, Defendants shall have fourteen (14) days to cure the claimed violation.

18. The stayed civil penalty provisions discussed in paragraphs 16 and 17 will sunset five (5) years after the effective date of this Consent Judgment.

IV. RELEASE

19. 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 Defendants including all of its past and present employees, officers, and directors of any and all claims of the Attorney General under the MFCA, Minn. Stat. § 15C.01 *et seq.*, Minnesota's DTPA, Minn. Stat. § 325D.44 *et seq.*, CFA, Minn. Stat. § 325F.69 *et seq.*, and the common law claim of unjust enrichment, as well as any claims that could have been asserted in connection with or arising out of the allegations in the Attorney General's Complaint in the above-captioned action, up to and including the date of the Court's entry of this Consent Judgment.

20. Subject to the exceptions in paragraph 21 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 paragraphs 11-14, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Defendants, from any liability to Relators arising from the filing of the Civil Action, reserving Relators' right to separately proceed in or settle any potential claims under Minn. Stat. § 15C.12.

21. The Attorney General, through this Consent Judgment, does not settle, release, or resolve any claim against Defendants or any other person or entity involving any private causes of action, claims, and remedies including, but not limited to, private causes of action, claims, or remedies provided for under Minn. Stat. § 8.31. The Attorney General's release in this Consent Judgment does not apply in any way to claims of any other Minnesota state agency, department, official, or division.

22. Relators and their 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 Relators' receipt of the Relators' Share, Relators and their 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.

23. Defendants fully and finally release 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 Defendants have 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 conduct alleged in the Attorney General's Complaint in the above-captioned action or the State of Minnesota's investigation or prosecution thereof.

24. Defendants fully and finally release the Relators from any claims (including for attorneys' fees, costs, and expenses of every kind and however denominated) that Defendants have asserted, could have asserted, or may assert in the future against the Relators, related to the conduct alleged in Relators' Complaint in the above-captioned action and the Relators' investigation and prosecution thereof.

V. GENERAL TERMS

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

26. *Non-admission of Liability*. This Consent Judgment is neither an admission nor denial of liability by Defendants.

27. *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.

28. *Authority to Bind*. The person signing this Consent Judgment for Defendants warrants that Monarch Investment & Management Group, LLC has authorized the person to execute this Consent Judgment, that Monarch Investment & Management Group, LLC 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 Defendants.

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

30. *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 or interpret the provisions of this Consent Judgment or, in the alternative, 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. Defendants understand that if the Court holds that they have committed a material violation of this Consent Judgment, that such violation may subject Defendants to sanctions for contempt and that the Attorney General may thereafter, in his sole discretion, initiate legal proceedings against Defendants for any and all violations of this Consent Judgment. The Parties agree that, in any action brought by the Attorney General to enforce the terms of this Consent Judgment, the Court shall have the authority to award equitable relief, including specific performance.

31. *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

Shawn M. Raiter
M.N. Lawyer ID No. 0240424
2800 Wells Fargo Place
30 East Seventh Street, Suite 2800
Saint Paul, Minnesota 55101
Telephone: 651.312.6500
sraiter@larsonking.com

John Albanese
Berger Montague PC
1229 Tyler Street NE, Suite 205
Minneapolis, MN 55413

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.

32. *Notifying Participating Persons*. Defendants shall notify their principals, officers, directors, agents, servants, employees, independent contractors, parents, affiliates, subsidiaries, successors; and any other person in active concert or participation with the company of its obligations, duties, and responsibilities imposed on them by this Consent Judgment.

33. *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.

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

35. *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.

36. *AGO Non-approval of Defendants' Actions*. Defendants shall not state or imply, directly or indirectly, that the State of Minnesota or the Attorney General have approved of, condone, or agree with any conduct or actions by Defendants.

37. *Representation*. 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.

38. *IRS Form 1098-F Cooperation*. On or before executing this Consent Judgment, Defendants shall provide the Attorney General with their taxpayer identification number (TIN) or social security number. Defendants 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.

39. *IRS Form 1098-F Reporting*. For the purposes of Internal Revenue Service Form 1098-F (Fines, Penalties, and Other Amounts), $192,481.67 amount of the Total Settlement Sum shall be considered the "Restitution/remediation amount."

40. *Further Acts*. 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.

41. *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.

MONARCH INVESTMENT & MANAGEMENT GROUP, LLC. - DEFENDANT

DATED: 11/6/2026 BY: 

Bob Nicolls

Docusign Envelope ID: 40AB456F-9EF7-8EC1-82E7-8EB4D00CF5B2

KIONA ADAMS - RELATOR

DATED: 10/27/2026 | 3:04:17 PM CDT BY: DocuSigned by: _____
D24D80AFEF92437...
KIONA ADAMS

DATED: _____ BY: _____

Docusign Envelope ID: 40AB456F-9EF7-8EC1-82E7-8EB4D00CF5B2

COREY DAHL - RELATOR

DATED: 10/27/2026 | 12:06:57 PM CDT BY: Signed by: Corey Dahl 855E6625F4844FF... _____

COREY DAHL

DATED: _____ BY: _____

KEITH ELLISON
ATTORNEY GENERAL
STATE OF MINNESOTA

DATED: 11/10/2026 BY: Emily Scholtes Dykstra

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:_____ _____

THOMAS J. CONLEY
District Court Judge

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