

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF HENNEPIN

FOURTH JUDICIAL DISTRICT

Case Type: Other Civil  
(Consumer Protection)

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

Court File No. \_\_\_\_\_  
Judge \_\_\_\_\_

Plaintiff,

vs.

**COMPLAINT**

B.E.S.T GDR, LLC d/b/a Premium  
Home Services, and  
YOSEF BERNATH,

Defendants.

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

**INTRODUCTION**

1. Defendants operate an Illinois-based online business that falsely holds itself out as hundreds of individual brick-and-mortar home repair businesses in Minnesota. To lure consumers to call them, Defendants disguise themselves using hundreds of individual online business profiles posing as local home repair companies. Each profile features a physical address located in Minnesota, a phone number with a Minnesota area code, and often multiple positive consumer reviews and five-star ratings. The companies in these profiles are fake. The company names are invented; the companies are not located at the listed addresses; and many of the positive reviews and five-star ratings were not left by actual customers, but rather, fabricated by Defendants or those acting on their behalf.

2. When consumers call these “local companies” at the listed local phone numbers, their calls are routed to customer service representatives who typically are located overseas. These representatives continue the ruse that the companies are local and can address the consumers’ home repair needs. The representatives are trained to sell consumers either a membership or a one-time service call, frequently collecting debit or credit card information when a sale is made. Then Defendants, or their subcontractors, typically outsource consumers’ service requests to local service providers. In short, unbeknownst to consumers, Defendants are a middleman, or services broker. Consumers have complained that Defendants’ subcontracted service providers are unqualified and provide subpar services. Consumers have also stated that they felt deceived and would not have purchased Defendants’ services if they knew that Defendants’ fake online business profiles were not, in fact, locally owned service providers but instead, a pipeline to an out-of-state middleman.

3. Between June 2020 and May 2023, Defendants tricked thousands of Minnesota consumers into calling and buying their home repair services and memberships, and took millions of dollars from consumers who thought they were supporting local small businesses and patronizing high-quality home repair services. Defendants continued through 2024 and, upon information and belief, after that, impacting even more Minnesota consumers. The Attorney General brings this action to put an end to Defendants’ deceptive scheme and obtain relief for Minnesota consumers.

### **PARTIES**

4. Keith Ellison, the Attorney General of the State of Minnesota, is authorized under Minnesota Statutes chapter 8 and common law authority, including *parens patriae* authority, to bring this action to enforce Minnesota law, 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.

5. Defendant B.E.S.T. GDR, LLC, also doing business as Premium Home Services ("PHS"), is an Illinois limited liability company with its registered address at 9914 Derby Lane, Unit 100, Westchester, Illinois 60154, and its principal place of business at 6723 North Sacramento Avenue, Chicago, Illinois 60645. Defendant PHS also has transacted business using assumed business names, but it does not properly register such names. Defendant PHS has done business in the State of Minnesota using at least the following assumed names without first filing a certificate with the Minnesota Secretary of State Office or disclosing the true name of each person conducting or transacting the business: Cottage Grove Plumbing Heating Air Conditioning Electric Water Heater Repair & Duct Cleaning; Gibbs Electrical; and J&R Heating and Cooling. Defendants advertised hundreds of other assumed names in Minnesota without first filing documents with the Minnesota Secretary of State. Defendants kept records indicating that Minnesota consumers contacted Defendants' uncertified and unregistered assumed names on thousands of occasions.

6. B.E.S.T. GDR, LLC registered to do business with the Minnesota Secretary of State on March 17, 2020, and also registered the trade name of J&J Service Professionals LLC with Minnesota. B.E.S.T. GDR LLC's certificate was revoked on January 25, 2022. The company filed its reinstatement paperwork on February 17, 2022, but the certificate was again revoked on February 22, 2024. B.E.S.T. GDR LLC never officially registered the trade name of Premium Home Services with the Minnesota Secretary of State.

7. Defendant Yosef Bernath ("Mr. Bernath") is the Chief Executive Officer, sole member, and manager of PHS. At all times relevant to this Complaint, acting alone or in concert with others, he has formulated, directed, controlled, had the authority to control, participated in, or

acquiesced to the acts and practices described in this Complaint. Among other things, Mr. Bernath controls PHS's business operations and finances; is the signatory on corporate bank accounts; applies for and obtains merchant processing accounts; establishes marketing and advertising policies; manages domain name services; interviews, hires, directs, communicates with, and terminates employees; assists with responding to law enforcement inquiries; retains third-party service providers; communicates with and directs Minnesota service providers to conduct estimates and perform repairs; signs corporate papers; and profits financially from the scheme. Mr. Bernath, in connection with the matters alleged herein, transacts or has transacted business in Minnesota and has directed PHS's business activities towards consumers in Minnesota.

#### **JURISDICTION AND VENUE**

8. This Court has subject matter jurisdiction over this action pursuant to Minnesota Statutes sections 8.01 and 8.31, and common law, including the State's *parens patriae* authority.

9. This Court has personal jurisdiction over the corporate defendant because it regularly transacts business in Minnesota, has targeted Minnesota consumers in Minnesota, and has committed acts that violate Minnesota law in Minnesota.

10. This Court has personal jurisdiction over Mr. Bernath because he has regularly conducted business in Minnesota, he has directly communicated with Minnesota service providers about providing estimates for jobs requested of PHS by Minnesota consumers, and he has committed acts that violate Minnesota law in Minnesota.

11. Venue is proper in Hennepin County under Minnesota Statutes section 542.09 because some of the cause of action arose in Hennepin County.

## **FACTUAL BACKGROUND**

12. Since at least 2020, Defendants have engaged in a scheme to deceptively market and sell home repair services to Minnesota consumers. PHS is an online business headquartered in the Chicago area, but, since 2020, Defendants have held themselves out as established, reputable, brick-and-mortar home repair companies located near Minnesota consumers.

13. Defendants have created, or caused to be created, hundreds of online business profiles for Minnesota home repair companies over time. Each business profile typically lists a fictional home repair company not registered with the Minnesota Secretary of State in any fashion. Defendants' online business profiles have contained local addresses, although neither Defendants nor their fabricated home repair companies have ever been located at the listed addresses. The profiles have also contained local phone numbers that ring to representatives' phones mainly located outside the United States, not at the listed addresses. Using these profiles, Defendants have deceived consumers and diverted business from legitimate local home repair companies.

### **A. Defendants Deceive Minnesota Consumers Searching Online for Local Businesses.**

14. Defendants advertised hundreds of fake business names that falsely claimed to be located in Minnesota, with phone numbers corresponding to local Minnesota area codes.

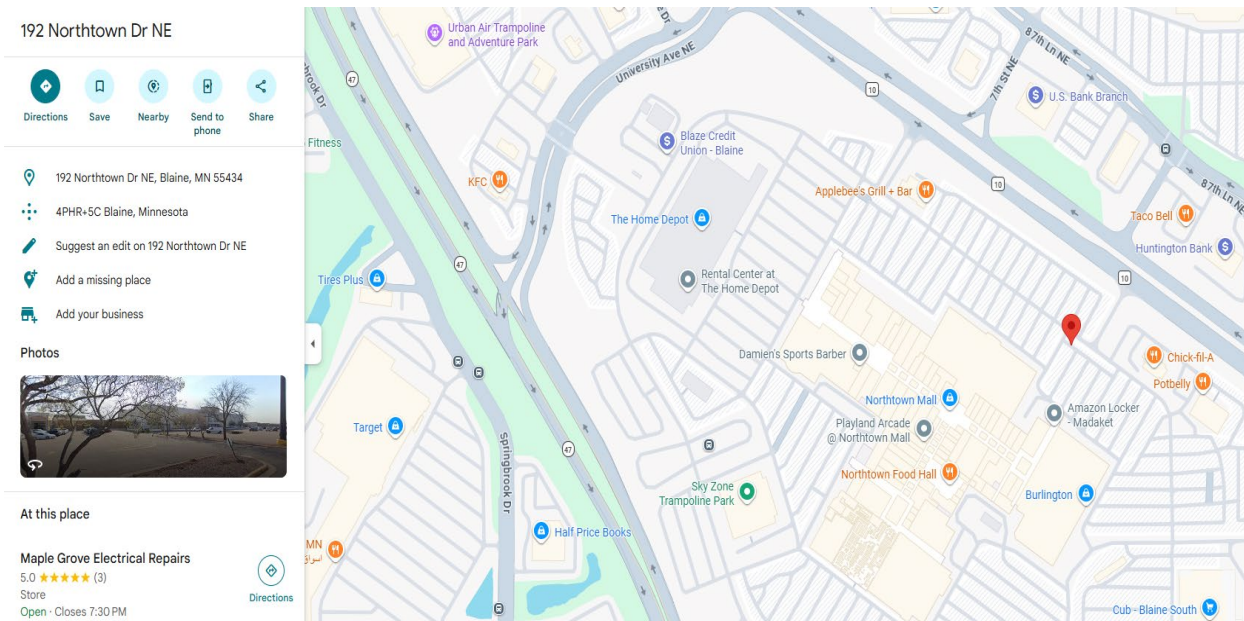
15. Thousands of Minnesota consumers searching online for a local home repair company have come upon Defendants' hundreds of fake business profiles. The company names that Defendants invent for these profiles typically include key home repair words or phrases, such as "electrical services," "plumbing," "heating and cooling," and "garage door repair." In some instances, Defendants also use the names of Minnesota cities, towns, and municipalities in their fake company names. When consumers search online for these home repair or geographic terms,

Defendants’ companies often will appear at or near the top of the search results because Defendants use search optimization techniques to promote higher placement.

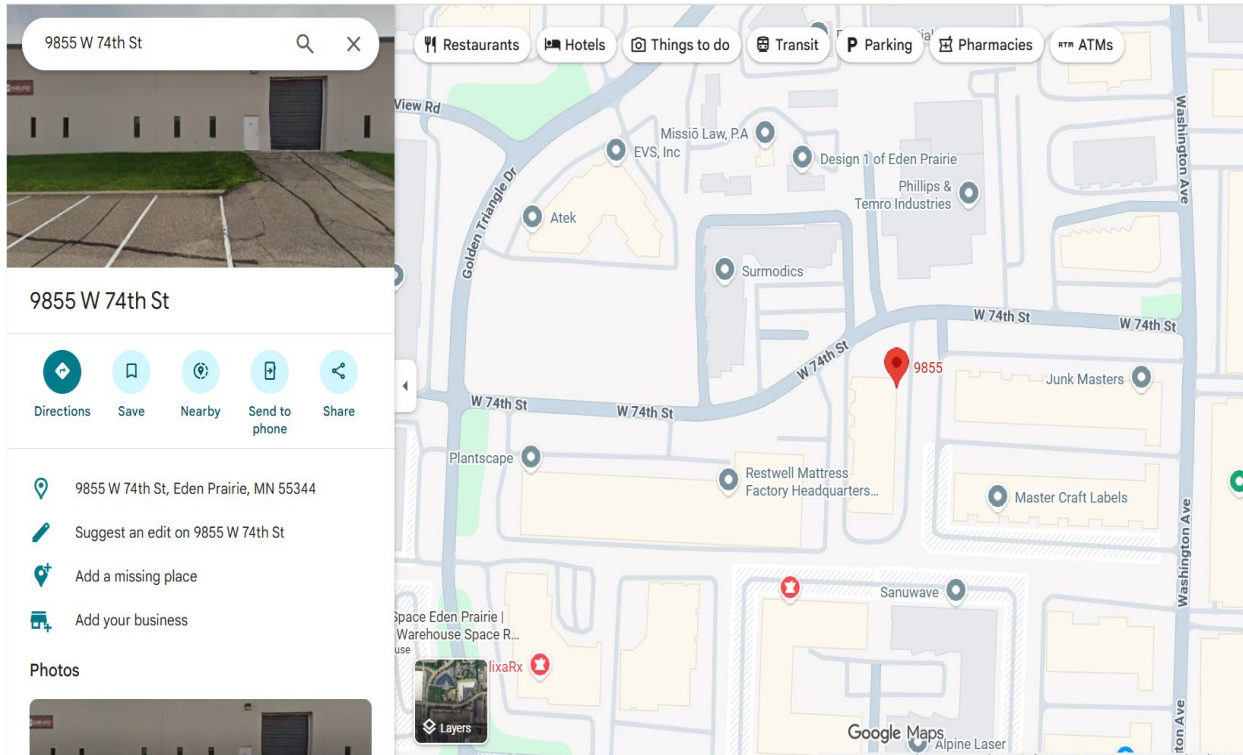
16. Defendants’ Minnesota customers have both searched specifically for companies with a physical presence near their residence, and searched for common home repair key terms like those listed above in paragraph 15. For consumers who search for a service “near” a location, search engines like Google display a list of “businesses” corresponding with the search. For consumers who search for businesses using only a home repair-related word or phrase, search engines like Google often display a similar list of “businesses” that are “near” the device being used for the search. Each result includes a business name and type, a star rating, the age of the business, its location and phone number, and its hours.

17. Unbeknownst to consumers, Defendants’ business profiles are fake and they are not located at the addresses listed in the online profiles. For example:

- Defendants caused an address to be listed for the fictional business “Maple Grove Electrical Repairs” at 192 Northtown Drive NE, Blaine, Minnesota 55434, but no building exists at that address, which is somewhere in the vicinity of the Northtown Mall shopping mall in Blaine, Minnesota, as shown below:



- Defendants caused an address to be listed for the fictional business “Commercial Handyman Co” at 9855 W. 74th Street, Eden Prairie, Minnesota 55344, but the entity at that address is an indoor golf facility:



These fictional company names are not legitimate assumed names or d/b/a's belonging to Defendants. They are, simply, made up.

18. Consumers often choose Defendants’ fake local businesses based in part on their belief that they are local companies. One of Defendants’ Minnesota customers stated, for example, that she would not have hired one of Defendants’ contractors if she had known it was not a local business because she is committed to keeping her money in the local economy. Another customer stated that he intentionally searched for local companies when seeking home repair services and felt cheated by having been tricked into hiring one of Defendants’ service providers.

19. Even after becoming aware that they were the subject of an investigation regarding their trade practices, Defendants continued to advertise themselves as local businesses when they were not.

**B. Defendants Deceive Minnesota Consumers with Fake Reviews and Ratings.**

20. To attract Minnesota consumers, Defendants, or persons acting on their behalf, artificially boost their consumer reviews and ratings by fabricating profiles of people to falsely pose as past customers of Defendants' invented companies. Defendants, or persons acting on their behalf, then author and post phony five-star consumer reviews and five-star ratings that appear in the fake business profiles.

21. Many of Defendants' purported "customers" post multiple positive consumer reviews and five-star ratings for several of Defendants' fabricated companies for services supposedly received from business locations around the country and at approximately the same time. For example, Defendants' business profile for "Ramseys Electric Company," supposedly located in Rogers, Minnesota, has a 5-star rating based on two positive consumer reviews. One customer, "Lance Smith," allegedly wrote in or around January 2024:

**Lance Smith**  
Local Guide Level 5

861 points >

500 1,500

Looking for your own reviews and photos? You can contribute on Google Maps too! X

**Reviews** Photos


**Ramseys Electric Company**  
14225 Northdale Blvd, Rogers, MN 55374

★★★★★ 2 years ago

Ramseys Electric Company is my first choice for electrical needs! Their team is highly skilled, punctual, and provides exceptional service. From troubleshooting to installations, they demonstrated expertise and professionalism. If you're seeking reliable electrical solutions, Ramseys Electric Company is the top choice for top-notch service.


Like Share

22. The same Lance Smith also authored dozens of remarkably-similar five-star reviews of *other* electrical contractors in Minnesota and in different cities across the country in or around January 2024:

 **Lance Smith**  
Local Guide Level 5


861 points >

500 1,500

Looking for your own reviews and photos? You can contribute on Google Maps too! 

Reviews


Photos

 **Eagle Electrical Services**  
5174 Douglas Dr N, Crystal, MN 55428

★★★★★ 2 years ago


Eagle Electrical Services is exceptional! Their team is highly skilled, punctual, and delivers top-notch service. They efficiently addressed my electrical issues with precision, demonstrating expertise and reliability. If you're seeking a trustworthy and professional electrical service, I highly recommend Eagle Electrical Services for their outstanding work.

 Like  Share

 **Lance Smith**  
Local Guide Level 5


861 points >

500 1,500

Looking for your own reviews and photos? You can contribute on Google Maps too! 

Reviews


Photos

 **Arden's Electric**  
2720 Arthur St, Roseville, MN 55113

★★★★★ 2 years ago


Arden's Electric stands out with exceptional service! Their team is highly skilled, punctual, and professional. They efficiently addressed my electrical needs with precision, showcasing expertise and reliability. For anyone seeking top-tier electrical solutions, I confidently recommend Arden's Electric for their outstanding and trustworthy service.

 Like  Share

 **Lance Smith**  
Local Guide Level 5

861 points >

500 1,500

Looking for your own reviews and photos? You can contribute on Google Maps too! 

Reviews


Photos

 **Leaf Electric Company**  
1003 E Moore Lake Dr, Fridley, MN 55432

★★★★★ 2 years ago


Leaf Electric Company exceeded my expectations! The team is highly skilled, punctual, and delivers exceptional service. They efficiently tackled my electrical needs with precision, showcasing expertise and reliability. If you're looking for a top-tier electric company, I highly recommend Leaf Electric for their professional and trustworthy service.

 Like  Share

 **Lance Smith**  
Local Guide Level 5

861 points >

500 1,500

Looking for your own reviews and photos? You can contribute on Google Maps too! 

Reviews

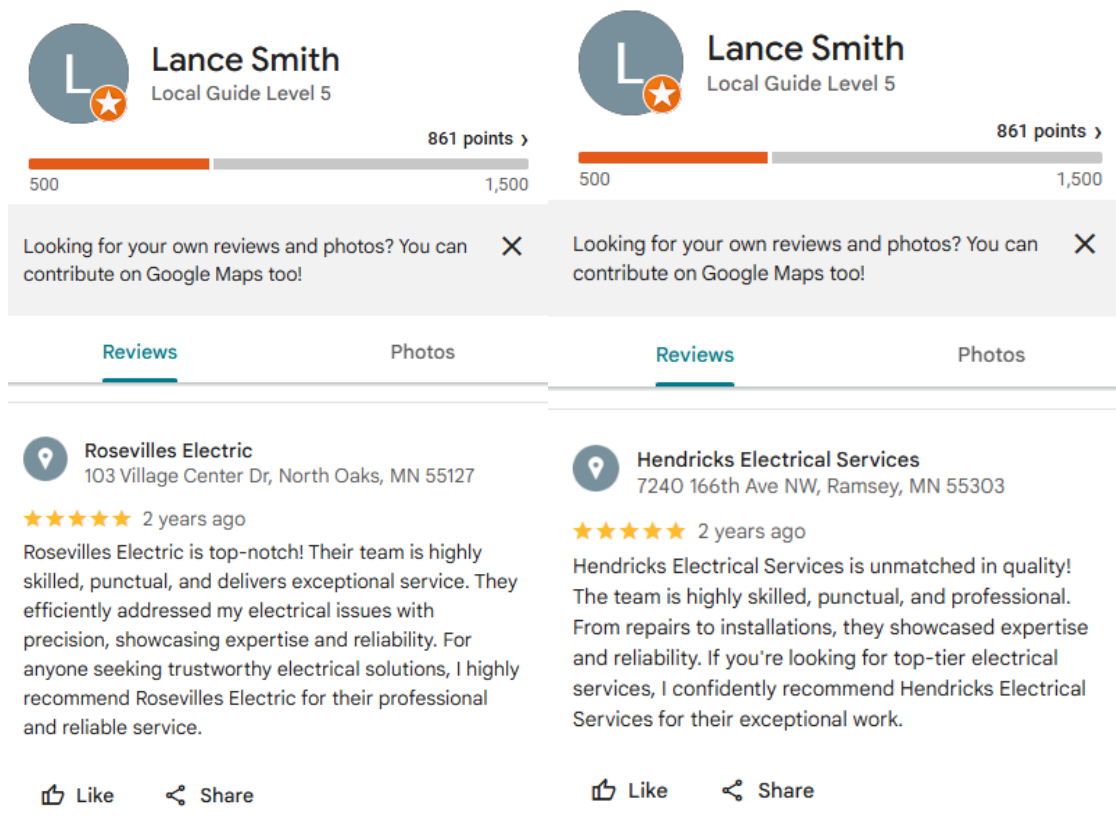
Photos

 **North Oaks Electrical Contracting**  
1824 Old Hwy 8 NW, New Brighton, MN 55112

★★★★★ 2 years ago

North Oaks Electrical Contracting is the epitome of excellence! Their team is highly skilled, punctual, and provides top-notch service. From repairs to installations, they demonstrated expertise and professionalism. If you're in need of reliable electrical solutions, North Oaks Electrical Contracting is the go-to choice for exceptional service.

 Like  Share



23. All of those reviews pertain to companies invented by Defendants. At the time these reviews were posted, Defendants’ customer database had no record of any “Lance Smith.”

24. The content of some of Lance Smith’s reviews from outside of Minnesota and the fictitious company’s response are set forth in the chart below:

Defendants’ Company and Purported Address	Consumer Review Text	Owner Response
Lexingtons Electric & AC Repairs 59 High Street, Medford, Massachusetts 02155	Lexingtons Electric & AC Repairs is my go-to for electrical and AC needs! Their team is highly skilled, prompt, and provides exceptional service. From troubleshooting to repairs, they showed expertise and professionalism. If you’re looking for reliable solutions, Lexingtons is the top choice for electrical and AC repairs.	Hi, thank you for your positive feedback. We’re proud of our unique achievement and recognition in excellent customer experience.
Roanokes Electrical & AC Repairs	Roanokes Electrical & AC Repairs is unparalleled in service! Their team is highly skilled, punctual, and provides top-notch	We are grateful for your fantastic review James. We appreciate

214 N. US Highway 377, Argyle, Texas 76226	service. From electrical issues to AC repairs, they demonstrated expertise and professionalism. If you're in need of reliable solutions, I highly recommend Roanokes Electrical & AC Repairs for their exceptional and trustworthy service.	your support and we hope to see you again soon
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As shown above, the reviews were all posted around the same time and use highly similar language (e.g., “highly skilled” appears in all). Defendants, or others acting on their behalf, also responded to these reviews all around the same time. Notably, at least one of the responses thanks “James” for the review, not “Lance Smith,” the purported author of the review.

25. Moreover, numerous of Defendants’ positive consumer reviews and five-star ratings appear to have originated from foreign countries, despite describing companies that purportedly provided home repair services in the United States. Dozens of email addresses used to post positive consumer reviews and five-star ratings to sites for home repair companies located outside Minnesota have been associated with the domains of foreign educational institutions. For example, 10 accounts used e-mail addresses with a domain “@npu.ac.th,” which is the domain of a university located in Thailand. Another 10 accounts had e-mail addresses with a domain “@stu.kemu.ac.ke,” which is the domain of a university located in Kenya.

26. Defendants also offer a “Premium Home Service” app, which consumers can review and rate. As with Defendants’ business profiles, the app store listings for Defendants’ app contain numerous fabricated positive consumer reviews and five-star ratings. For example, out of 142 app reviews appearing in the Google Play Store, sixty-one five-star reviews originated from accounts that appear to have posted their reviews from the same place. Twelve of these five-star reviews appear to have originated from accounts that were created using the same Internet Protocol (IP) address.

27. Defendants admit they use third parties, including search engine optimization providers, to write, provide, create, remove, delete, or change consumer reviews for posting on Google. Defendants further admit to knowing that “there were reviews created by some third parties which were not legitimately produced by customers.”

**C. Defendants Obtain Minnesota Consumers’ Money Under False Pretenses.**

28. A Minnesota consumer who finds one of Defendants’ fake businesses online must call them to initiate potential business with them. When consumers call one of Defendants’ over 950 telephone numbers in 7 Minnesota area codes, Defendants route the calls to customer service representatives, who typically have been located outside of the United States.

29. Defendants’ representatives know the name of the fabricated company the consumer is calling about by the number the consumer dialed, and they use it throughout the call to further their deceptive scheme to convince the consumer that he or she is contacting a real, local business. For example, when a Minnesota consumer searching for air conditioning repair services called the local telephone number from Defendants’ online business profile for “J&R Heating and Cooling,” Defendants’ representative (who was located in a call center in the Philippines, not a business in Minnesota) answered as “J&R Heating and Cooling.”

30. After consumers explain their service needs, Defendants’ representatives state that a “technician” can be dispatched to address those needs, typically within a three-hour window that same day. In many instances, however, Defendants’ representatives have no idea whether anyone actually is available during their promised appointment window.

31. Defendants’ representatives tell consumers that to have a “technician” dispatched, they must pay a service fee for the visit that typically ranges from \$49 to \$149, but can be higher. This fee is separate from the charge for the service to be performed. Alternatively, consumers can

sign up for an annual membership program, which typically costs the same price as a single-visit service fee, but purports to include benefits, such as no service fees for additional service visits during the membership term. During the course of one call with a Minnesota resident, Defendants' customer service representative said that the consumer was eligible for two different payment options because the consumer was "local," reinforcing the false impression that the fake company is located nearby.

32. For those consumers who select the membership, Defendants' representatives typically collect payment information for the membership fee from the consumer on the call. In numerous instances, Defendants require consumers who agree to purchase the membership to provide credit or debit card information and other identifying information, including name and e-mail address. Defendants use this information to process payment for the membership fee.

33. After receiving a call from a consumer and collecting payment information, Defendants then contact service providers in the State to find someone to provide the requested service.

34. Defendant Mr. Bernath communicated directly with at least one Minnesota-based service provider by telephone and electronic messages (such as text messages) about performing repairs for Minnesota consumers, including to determine whether the service provider was interested in doing a specific job. In these types of communications, Defendants provided the service provider with the name of the fictional home repair company.

**D. Defendants Provide Minnesota Consumers with Subpar Subcontracted Service.**

35. Once a consumer has scheduled an appointment, Defendants often attempt to contact service providers around the country who serve the consumer's geographic area—not the businesses supposedly located at the addresses from Defendants' fake online business profiles.

36. In some instances, Defendants dispatch people who are not licensed or otherwise qualified to perform the repair job requested, and those consumers receive subpar or even dangerous service, or no service at all.

37. Defendants' deceptive tactics cost consumers considerable expense and wasted time. Some consumers have had to pay other companies for repairs after Defendants' service providers failed to complete the work.

38. For example, a consumer whose basement had flooded used Google to find what they believed to be a local, reputable plumbing business with positive reviews. The consumer called Defendants' fake local business listing via a local area code, arranged for a home visit with a representative who was not located in Minnesota, and paid over \$370 to solve the flooding by fixing their sump pump, but the consumer's basement flooded again the following day. When the consumer called back, Defendants told the consumer that the plumber's visit was just "diagnostic" and not intended to solve the consumer's problem. The consumer then found and paid a local and reputable plumber \$400 to solve the problem by replacing the sump pump.

**COUNT I (All Defendants)**  
**VIOLATIONS OF THE MINNESOTA PREVENTION OF CONSUMER FRAUD ACT**

39. Plaintiff re-alleges and incorporates by reference all prior paragraphs of this Complaint.

40. The Prevention of Consumer Fraud Act ("MCFA") is included in Minn. Stat. §§ 325F.68 to 325F.70.

41. Minn. Stat. § 325F.69, subdivision 1, provides, in part:

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.

42. The term “merchandise” within the meaning of Minn. Stat. § 325F.69, subd. 1 is defined to include services. Minn. Stat. § 325F.68, subd. 2.

43. Pursuant to 2023 Minnesota Laws chapter 57, article 4, section 16, the prohibited conduct of “unfair or unconscionable” practices was added to Minnesota Statutes section 325F.69, subdivision 1 and took effect May 25, 2023.<sup>1</sup>

44. The term “person” includes “any natural person or a legal representative, partnership, corporation, company, trust, business entity, or association, and any agent, employee, salesperson, partner, officer, director, member, stockholder, associate, trustee, or cestqui que trust thereof.” Minn. Stat. § 325F.68, subd. 3. Defendants are “persons” within the meaning of the statute.

45. PHS has repeatedly violated Minn. Stat. § 325F.69, subd. 1 by engaging in fraud, engaging in unfair practices, engaging consumers under false pretenses, making false promises and misrepresentations, making misleading statements, and engaging in deceptive practices, as described in this Complaint, in connection with the sale of merchandise. Such practices include, but are not limited to:

- a. Misrepresenting directly or indirectly, expressly or by implication that Defendants are a local home repair business operating from a specific physical address within Minnesota or near the Minnesota consumer’s city, town, or neighborhood, when Defendants are not a local home repair business operating from a specific physical address within Minnesota or near the Minnesota consumer’s city, town, or neighborhood;

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<sup>1</sup> The relevant time for the Minnesota Attorney General’s claim under Count I for unfair or unconscionable practices pursuant to Minnesota Statutes section 325F.69, subdivision 1 began on May 25, 2023, and continues through the present. The relevant time for the Minnesota Attorney General’s claim under Count I for all other provisions of 325F.69 run from six years prior to the filing of the Complaint through to the present.

- b. Misrepresenting directly or indirectly, expressly or by implication, that Defendants will send a technician from the local home repair business that the Minnesota consumer called to complete the requested home repair service, when Defendants do not send a technician from the local home repair business that the Minnesota consumer called to complete the requested home repair service;
- c. Misrepresenting directly or indirectly, expressly or by implication, that Defendants will send a technician on a specific date and at a specified time, when Defendants do not send a technician on a specific date and at a specified time,; and
- d. Misrepresenting directly or indirectly, expressly or by implication, that reviews of Defendants' businesses are truthful reviews by Defendants' actual Minnesota customers, when reviews of Defendants' businesses are not truthful reviews by Defendants' actual customers but instead, reviews fabricated by Defendants, or others on their behalf, or purchased by Defendants.

46. Due to the deceptive, fraudulent, misleading and unfair conduct described in this Complaint, consumers have made payments to PHS for services thereby causing harm to those consumers. There is a causal nexus between these injuries to consumers and the wrongful conduct that PHS has engaged in that violates Minn. Stat. § 325F.69, subd. 1.

47. Defendant Mr. Bernath is liable in his individual capacity for violations of Minn. Stat. § 325F.69, subd. 1. As sole owner and manager of PHS, Mr. Bernath retained ultimate direction and control of PHS's business practices. Mr. Bernath was personally responsible for, participated in, and acquiesced to the deceptive, fraudulent, misleading and unfair conduct described in this Complaint. Ultimately, Mr. Bernath personally directed, controlled, participated

in, acquiesced to and knew, or should have known about and prevented, and/or derived financial benefit from PHS's conduct in violation of Minn. Stat. § 325F.69, subd. 1

48. Defendants' conduct, practices and actions described in this Complaint constitute multiple separate violations of Minn. Stat. § 325.69, subd. 1.

**COUNT II (All Defendants)**  
**VIOLATIONS OF THE UNIFORM DECEPTIVE TRADE PRACTICES ACT**

49. Plaintiff re-alleges and incorporates by reference each and every allegation set forth in all prior paragraphs of this Complaint.

50. The Uniform Deceptive Trade Practices Act is found at Minn. Stat. §§ 325D.43 to 325D.48.

51. Minn. Stat. § 325D.44, subd. 1, provides in pertinent part

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

- (1) passes off goods or services as those of another;
- (2) causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services;
- (3) causes likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another;
- (4) uses deceptive representations or designations of geographic origin in connection with goods or services;
- \*\*\*
- (7) represents that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another;
- \*\*\*
- (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.<sup>2</sup>

52. Defendants are “persons” within the meaning of section 325D.44 and are subject to the Minnesota Uniform Deceptive Trade Practices Act, Minn. Stat. § 325D.44, because they engage in a course of business, vocation, or occupation in Minnesota pursuant to subdivision 1 of section 325D.44.

53. Pursuant to 2023 Minnesota Laws, chapter 57, article 4, section 6 (codified at Minn. Stat. § 325D.44, subd. 1(13)), took effect on May 25, 2023.<sup>3</sup>

54. Defendants, in the course of their business, vocation, or occupation, have, in numerous instances, engaged in deceptive trade practices in violation of subdivision 1 of the Minnesota Uniform Deceptive Trade Practices Act, Minn. Stat. § 325D.44, by:

- a. Misrepresenting to consumers, directly or indirectly, expressly or by implication, that Defendants are a local home repair business operating from a specific physical address within Minnesota or near the Minnesota consumer’s city, town, or neighborhood, in violation of subdivisions 1(1), 1(2), 1(3), 1(4), 1(13), and/or 1(14);
- b. Misrepresenting to consumers, directly or indirectly, expressly or by implication, that Defendants will send a technician from the local home repair business that the consumer called to complete the requested home repair service, when Defendants do not send a technician from the local home repair business that the Minnesota consumer

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<sup>2</sup> Pursuant to 2023 Minnesota Laws chapter 57, article 4, section 6, Minnesota Statutes section 325D.44, subdivision 1(13) was re-codified as Minnesota Statutes section 325D.44, subdivision 1(14), effective May 25, 2023. For simplicity, the State refers to this provision as Minnesota Statutes section 325D.44, subdivision 1(14), though this provision has been in effect for the full relevant time period and continues through the present.

<sup>3</sup> The relevant time for the State’s claim under Count II for unfair or unconscionable acts or practices pursuant to Minnesota Statutes section 325D.44, subdivision 1(13) began on August 1, 2023, and continues through the present. The relevant time for the State’s claim under Count II for all other provisions of 325F.69 run from six years prior to the filing of the Complaint through to the present.

called to complete the requested home repair service in violation of subdivisions 1(1), 1(2), 1(3), 1(4), 1(9), 1(13), and/or 1(14);

- c. Misrepresenting to consumers, directly or indirectly, expressly or by implication, that they will send a technician on a specific date and at a specified time, when no such technician is sent at the specified date and/or time, in violation of subdivisions 1(9), 1(13), and/or 1(14); and
- d. Misrepresenting to consumers, directly or indirectly, expressly or by implication, that reviews of Defendants' businesses are truthful reviews by Defendants' actual customers, in violation of subdivisions 1(5), 1(7), 1(13), and/or 1(14).

55. Defendants have further misrepresented the geographic location of their business by engaging in conduct specifically described as deceptive in Minnesota Statutes section 325D.46, subdivision 3(c), to wit: Defendants' Internet listings falsely identified their businesses as being local to Minnesota, failed to identify that Defendants were and are geographically located out of the state, and provided telephone numbers intended to appear as local numbers that were routinely forwarded or transferred to locations outside of the local calling area for the number listed on Defendants' advertisements.

56. Due to the deceptive, fraudulent, misleading and unfair conduct described in this Complaint, consumers have made payments to PHS for services thereby causing harm to those consumers. There is a causal nexus between these injuries to consumers and the wrongful conduct that PHS has engaged in that violates Minn. Stat. § 325F.69, subd. 1.

57. Defendant Mr. Bernath is liable in his individual capacity for violations of Minn. Stat. § 325D.44, subd. 1. As sole owner and manager of PHS, Mr. Bernath retained ultimate direction and control of PHS's business practices. Mr. Bernath was personally responsible for,

participated in, and acquiesced to the deceptive, fraudulent, misleading and unfair conduct described in this Complaint. Ultimately, Mr. Bernath personally directed, controlled, participated in, acquiesced to and knew, or should have known about and prevented, and/or derived financial benefit from PHS's conduct in violation of Minn. Stat. § 325D.44, subd. 1

58. Defendants' conduct, practices, and actions described in this Complaint constitute multiple, separate violations of Minn. Stat. § 325D.44, subd. 1.

**COUNT III (All Defendants)**  
**VIOLATIONS OF MINNESOTA COMMERCIAL ASSUMED NAMES ACT**

59. Plaintiff re-alleges and incorporates by reference all prior paragraphs of this Complaint.

60. The Minnesota Commercial Assumed Names Act, Minn. Stat. § 333.01, subd. 1, provides that:

No person shall hereafter carry on or conduct or transact a commercial business in this state under any designation, name, or style, which does not set forth the true name of every person interested in such business unless such person shall file in the Office of the Secretary of State, a certificate setting forth the name and business address under which the business is conducted or transacted, or is to be conducted or transacted, and the true name of each person conducting or transacting the same, with the address of such person. The name of the business must not include any of the following phrases or their abbreviations: corporation, incorporated, limited, chartered, professional association, cooperative, limited partnership, limited liability company, professional limited liability company, limited liability partnership, or professional limited liability partnership, except to the extent that an entity filing a certificate would be authorized to use the phrase or abbreviation. The certificate shall be executed by one of the persons conducting, or intending to conduct, the business. The certificate shall be published after it has been filed with the secretary of state in a qualified newspaper in the county in which the person has a principal or registered office for two successive issues.

61. Minn. Stat. § 333.01, subd. 2 provides that:

No person shall use an assumed or fictitious name in the conduct of its business to intentionally misrepresent its geographic origin or location.

62. Defendants have routinely conducted and/or transacted a commercial business in the State of Minnesota under designations, names, or styles which have not set forth the true name of every person interested in such a business, all without filing in the Minnesota Office of the Secretary of State a certificate setting forth the name and business address under which the business has been conducted or transacted, and the true name of each person conducting or transacting the same, with the address of such person. Defendants conducted or transacted business in Minnesota by using hundreds of assumed names, without first filing a certificate and publishing the certificate in manner required by section 333.01. *See* Minn. Stat. §§ 333.01, 333.02. For example, Defendants conducted and transacted commercial business in the State of Minnesota under at least the following uncertified and unfiled assumed names:

- a. “Maple Grove Electrical Repairs,” which Defendants have misrepresented in advertising as being physically located at 192 Northtown Drive NE, Blaine, Minnesota 55434;
- b. “Commercial Handyman Co,” which Defendants have misrepresented in advertising as being physically located at 9855 W. 74th Street, Eden Prairie, Minnesota 55344;
- c. “Ramseys Electric Company,” which Defendants have misrepresented in advertising as being physically located at 14225 Northdale Blvd, Rogers, Minnesota 55374; and
- d. “Roseville Electric,” which Defendants have misrepresented in advertising as being physically located at 103 Village Center Drive, North Oaks, Minnesota 55127.

63. Defendants used hundreds of uncertified, unpublished and unfiled assumed names in conducting and transacting their business in Minnesota in order to intentionally misrepresent their geographic origins and/or locations.

64. Defendants' conduct, practices, and actions described in this Complaint constitute multiple, separate violations of Minn. Stat. § 333.01, *et seq.*

**PRAYER FOR RELIEF**

WHEREFORE, the Minnesota Attorney General respectfully requests that this Court award judgment against Defendants, jointly and severally, as follows:

A. Declaring that Defendants' actions, as set forth above, constitute multiple separate violations of Minn. Stat. section 325F.69, subd. 1; 325D.44, subd.1; and 333.01.

B. 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 conduct described herein or violating in any other way Minn. Stat. sections 325F.69, subd. 1; 325D.44, subd. 1; and 333.01;

C. Awarding judgment against Defendants for disgorgement and/or restitution under the *parens patriae* doctrine, the general equitable powers of this Court, Minn. Stat. § 8.31, and any other authority, for all persons harmed by the Defendants' actions described in this Complaint;

D. Awarding judgment against Defendants for civil penalties pursuant to Minn. Stat. § 8.31, subd. 3, for each separate violation of Minnesota law;

E. Awarding Plaintiff its costs, including costs of investigation and reasonable attorney's fees pursuant to Minn. Stat. § 8.31, subd. 3a; and

F. Awarding any additional relief as the Court determines to be just and proper.

Dated: May 4, 2026

Respectfully submitted,

KEITH ELLISON  
Attorney General  
State of Minnesota

s/ Noah Lewellen  
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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/ Noah Lewellen