

STATE OF MINNESOTA  
COUNTY OF FREEBORN

DISTRICT COURT  
THIRD JUDICIAL DISTRICT

Case Type: Other Civil  
(Consumer Protection)

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

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

Plaintiff,

**COMPLAINT**

vs.

MLH Enterprises L.L.C. d/b/a The Interchange  
Wine & Coffee Bistro,

Defendant.

The State of Minnesota, by its Attorney General, Keith Ellison, for its Complaint against Defendant MLH Enterprises L.L.C. d/b/a The Interchange Wine & Coffee Bistro (hereinafter, “Interchange”) alleges as follows:

### **INTRODUCTION**

1. In response to the ongoing COVID-19 pandemic, on March 13, 2020, Governor Tim Walz declared a peacetime emergency, which was most recently extended through January 13, 2021 pursuant to Executive Order 20-100. From March 2020 through November 2020, the governor attempted to slowly and safely reopen the Minnesota economy, placing restrictions on businesses to slow the community spread of COVID-19. By November 18, 2020, however, Minnesota reported over 240,000 confirmed cases of COVID-19 in the state, with 100,000 of those cases being added in only 41 days. Thus, on November 18, 2020, Governor Walz issued Emergency Executive Order 20-99, “implementing a four week dial back on certain activities to slow the spread of COVID-19.”

2. In relevant part, Executive Order 20-99 temporarily prohibited restaurants and bars from offering on-premises consumption of food or beverages (including alcoholic beverages) and from allowing ingress, egress, use, and occupancy by members of the public except to allow up to five members of the public on the premises for the purpose of picking up food or beverages for off-site consumption. On December 16, 2020, noting falling infection rates but consistently high daily case counts, Governor Walz issued Executive Order 20-103, which, beginning at 11:59 p.m. on December 18, 2020, extended the restaurant restrictions of Executive Order 20-99 to January 10, 2021, but modified the restrictions to allow for outdoor service of on-premises consumption. Executive Order 20-99, both originally and as extended and modified by Executive Order 20-103, also prohibits venues providing indoor events and entertainment from permitting the public to enter.

3. Despite the express restrictions of Executive Order 20-99 as modified and extended by Executive Order 20-103 (hereinafter “Modified Executive Order 20-99”), which have the full force and effect of law, Interchange, which owns and operates a restaurant in Albert Lea, has provided on-premises consumption of food and beverages and allowed the public to enter the establishment beyond the restrictions of Modified Executive Order 20-99 and has threatened to continue violating the Order. Interchange also held an indoor concert and allowed members of the public to attend.

4. Modified Executive Order 20-99’s prohibitions on indoor on-premises dining and restrictions on restaurant, bar, and indoor venue occupancy are necessary to protect public health and safety during the ongoing COVID-19 pandemic. COVID-19 is easily transmissible and deadly. On-premises consumption at bars and restaurants pose a particularly high risk of COVID-19 transmission because it allows people to gather and congregate around others from different

households to eat and drink without face coverings, often for extended periods of interactions. Despite the public health harm this poses to Minnesotans, Interchange has refused to comply with Modified Executive Order 20-99. On December 15, 2020, Interchange posted a message on its Facebook page stating its intent to open for indoor dining “in defiance of the governor’s orders.” On December 16, Interchange posted another Facebook post stating that they were open. On December 17, Interchange again posted on Facebook, this time stating that on December 18, Interchange would be open and would have live music for patrons dining inside. That same day, the Minnesota Department of Health (“MDH”) served a cease-and-desist order on The Interchange. Nevertheless, on Saturday, December 19, MDH sent an agent to Interchange, and found that the restaurant was still open for on-premises indoor consumption of food and beverages, with many customers inside.

5. In short, Defendant is ignoring the risks of the virus and has disregarded the prohibitions established by Modified Executive Order 20-99 to protect the public’s health and safety. Attorney General Keith Ellison therefore brings this action to protect the public health and safety by enforcing Modified Executive Order 20-99, and enjoining Interchange from extending, offering, or otherwise making available on-premises indoor consumption at its location, and enjoining Interchange from further violating the extended provisions of Modified Executive Order 20-99.

### **PARTIES**

6. Keith Ellison, the Attorney General of the State of Minnesota, is authorized under Minnesota Statutes chapter 8 and has common law authority, including *parens patriae* authority, to bring this action to enforce Modified Executive Order 20-99, to vindicate the State’s sovereign

and quasi-sovereign interests, and to remediate all harm arising out of—and obtain full relief for—violations and/or threatened violations of Modified Executive Order 20-99.

7. Defendant MLH Enterprises L.L.C. is a business with its principal executive office and registered office address at 82299 200<sup>th</sup> St, Hayward, MN 56043. Defendant owns and operates The Interchange Wine & Coffee Bistro located at 211 S Broadway Ave, Albert Lea, Minnesota 56007. Melissa “Lisa” Hanson is the owner of MLH Enterprises L.L.C.

### **JURISDICTION AND VENUE**

8. This Court has subject matter jurisdiction over this action pursuant to Minnesota Statutes sections 8.01, 8.31, Modified Executive Order 20-99, and under common law.

9. This Court has personal jurisdiction over Defendant because Defendant has violated and/or threatened to violate Modified Executive Order 20-99, in Minnesota, thereby causing and threatening to cause injury to the public health and safety of Minnesota residents.

10. Venue in Freeborn County is proper under Minnesota Statutes section 542.09 because the cause of action arose in Freeborn County.

### **FACTUAL BACKGROUND**

#### **I. THE COVID-19 PANDEMIC IS AN ONGOING PUBLIC HEALTH EMERGENCY, WHICH HAS REQUIRED MINNESOTA TO TAKE ACTION TO PROTECT PUBLIC HEALTH AND SAFETY.**

11. Minnesota’s fight against the COVID-19 virus represents one of the greatest public health emergencies this state has handled in its 162-year history. In part, the magnitude of Minnesota’s response has been in reaction to the uniquely virulent characteristics of the disease: In one study, researchers found that a single infected person likely spread the virus to 53 other

people during the course of a single choir rehearsal.<sup>1</sup> Minnesota is fighting the infection, but the virus continues to spread and the need for emergency preventative measures remains in order to protect public health and safety.

12. COVID-19 kills people. In Minnesota alone, as of December 20, 2020, COVID-19 has already caused at least 4,719 deaths. 397,319 positive cases have been reported across the state with 28,826 of those positive cases reported in the first week of December alone.<sup>2</sup>

13. Minnesota is currently experiencing some of the highest numbers of COVID-19 cases since the beginning of the pandemic. For example, it took Minnesota over 6 months to record its first 100,000 positive COVID-19 cases, but only 41 days to add an additional 100,000 new cases. Just 16 days later, Minnesota logged another 100,000 positive cases.

14. In the months of November and December of 2020, Minnesota has been recording record numbers of daily new cases, hospitalizations, intensive care unit admissions, and deaths. Surging COVID-19 cases are pushing Minnesota's hospital system to a critical point.<sup>3</sup> Due to unprecedented staffing shortages, many hospitals are diverting patients to other facilities and making difficult choices, like discharging patients that normally would have longer hospital stays. Hospitals are running out of critical care beds that are a necessity for COVID-19 patients experiencing severe symptoms.

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<sup>1</sup> Hammer et al., *High SARS-CoV-2 Attack Rate Following Exposure at a Choir Practice—Skagit County, Washington, March 2020*, 69 MORBIDITY & MORTALITY WEEKLY R. 16, 606-10 (May 15, 2020), available at, <https://www.cdc.gov/mmwr/volumes/69/wr/mm6919e6.htm>.

<sup>2</sup> *Situation Update for COVID-19, Updated December 20, 2020*, MINN. DEPT. OF HEALTH, <https://www.health.state.mn.us/diseases/coronavirus/situation.html>.

<sup>3</sup> Howatt, Glen, *New bar, restaurant and gym COVID-19 restrictions expected in Minnesota*, MINNEAPOLIS STAR TRIB. (Nov. 18, 2020), available at <https://www.startribune.com/new-bar-restaurant-and-gym-restrictions-expected-in-minn/573107051/>.

15. In Freeborn County, at least 16 individuals have passed away due to COVID-19 and 1,838 have tested positive. The 14-day case rate per 10,000 people has jumped dramatically from 31.45 for the reporting period of October 11, 2020 to October 24, 2020, to 125.14 for the reporting period of November 15, 2020 to November 28, 2020. This is the deadly backdrop against which the Defendant has decided to defy an order intended to stem community spread of a virus and unlawfully remain open to the public for on-premises indoor consumption of food and beverages.

16. COVID-19 can easily be spread through respiratory droplets exhaled into the air by individuals not wearing face coverings. The on-premises consumption of food and beverages at bars and restaurants in Minnesota continues to pose substantial risks to public health and safety. Restaurants and bars pose a particularly high risk of COVID-19 transmission because they allow people to gather and congregate around people from different households while eating and drinking without face coverings, often for extended periods of interaction. Individuals cannot remain masked while they are eating and drinking, and many people leave their masks off in bars and restaurants while talking. Bars and restaurants can be loud, leading to a larger volume of respiratory droplets in the air as people talk, raise their voices to be heard, or laugh. Moreover, alcohol and gathering with close friends or family can lower inhibitions and interfere with effective social distancing. All of these factors make bars and restaurants high risk for the easy transmission of COVID-19.

17. For example, one study examined COVID-19 transmission in a bar during a St. Patrick's Day celebration in Vietnam. The study found that it was likely that a single person spread the virus to 18 other people over the course of a single night, even though only 4 of the 18 reported being in close contact with the infectious individual.

18. In another study publicized by the national Centers for Disease Control and Prevention (“CDC”), a significant viral outbreak occurred at a family gathering at a restaurant. Not only did the family members who attended the meal become ill, but other patrons unassociated with the reunion became sick. The researchers’ hypothesis indicates that the virus was spread simply through the air of the restaurant.

19. In yet another study, an outbreak of three cases occurred at a restaurant including one case who sat 21 feet away from the infector for only 5 minutes.

20. An outbreak is generally defined as multiple cases of illness related by time and place in which an epidemiologic investigation suggests person-to-person transmission or contamination occurred. It is challenging to document the full scope of any COVID-19 outbreak, by what is known as secondary and tertiary transmission of COVID-19. This is because a person may have COVID-19 and be asymptomatic or experience mild symptoms and never get tested, but still be able to infect others. And importantly, the contact tracing process relies on truthful and accurate self-reporting from persons infected or exposed to the virus. If a person exposed to the virus does not fully disclose their symptoms, activities, or contacts, then the total numbers related to an outbreak will be underreported. Because of these challenges, the total impact of outbreaks in Minnesota will never be fully known. Instead, these documented outbreaks represent just the tip of the iceberg of transmission and there are likely many more cases from the outbreak source that haven’t been identified.

21. Minnesota Department of Health’s contact tracing investigations have shown that apart from long term care settings, bars and restaurants are among the settings most frequently associated with COVID-19 outbreaks in Minnesota. Specifically, the Minnesota Department of

Health has already traced 448 COVID-19 outbreaks and 4,145 confirmed cases of COVID-19 to bars and restaurants in Minnesota.

22. Minnesota has had success in keeping its infection rate and mortality count relatively lower than some other areas, in part through its outreach to educate Minnesotans on the restrictions in place, and in part by placing certain restrictions on activities that are more likely to result in spread of the virus like large events and fully occupied bars or restaurants with people from different households congregating in close proximity. Nevertheless, Minnesota is currently experiencing some of the highest numbers of COVID-19 cases since the beginning of the pandemic. Minnesota's attempts to slow the spread of COVID-19 are an attempt to protect the health and safety of its residents. These efforts have been deemed necessary by the Governor, including in Freeborn County.

23. On March 13, 2020, Governor Tim Walz declared a peacetime emergency as a result of the COVID-19 pandemic. At its emergency meeting on March 16, the Executive Council of the State of Minnesota approved the peacetime emergency to protect Minnesotans from COVID-19. The peacetime emergency was most recently extended and approved by the Executive Council until at least through January 13, 2021, pursuant to Executive Order 20-100.

24. In order to protect public health and safety by slowing the "community spread" of COVID-19, on November 18, 2020, Governor Walz issued Executive Order 20-99, which, in relevant part, ordered that "restaurants, . . . bars, . . . and other Places of Public Accommodation offering food, beverages (including alcoholic beverages), or tobacco products for on-premises consumption are closed to ingress, egress, use, and occupancy by member of the public, except as set forth below." Executive Order 20-99 went on to specify that restaurants and bars may "permit up to five members of the public at one time . . . for the purpose of picking up their food or beverage



orders.” All on-premises consumption was temporarily prohibited, as was any occupancy above five members of the public waiting for their orders, until December 18, 2020 at 11:59 p.m.

25. Executive Order 20-99 also prohibited indoor entertainment venues, including those providing indoor events and entertainment, including venues like “concert halls” and “performance venues,” from opening to the public until December 18, 2020 at 11:59 p.m.

26. On December 16, 2020, Governor Walz issued Executive Order 20-103 which, in relevant part, extended Executive Order 20-99’s provisions, including the Executive Order 20-99’s prohibition on indoor, on-premises consumption of food and beverage, and its enforcement provisions to January 10, 2021. In issuing Executive Order 20-103, Governor Walz noted improvements in Minnesota’s infection rate, due in part to the restrictions of Executive Order 20-99, but Governor Walz also specifically considered the “alarming levels of community spread” of the virus. Executive Order 20-103 prohibits indoor on-premises consumption of food and beverage at restaurants and bars like Defendant’s, but modified Executive Order 20-99 to allow for outdoor on-premises consumption. Executive Order 20-103 extended Executive Order 20-99’s restrictions on indoor entertainment venues in full, expanding the definition to include permanent, temporary, and mobile indoor entertainment venues.

27. Executive Orders 20-99 and 20-103 were promulgated by the Governor under the authority of Minnesota Statutes section 12.21, subdivision 3, clause (1), were approved by the Executive Council, and filed in the Office of the Secretary of State. Thus, pursuant to Minnesota Statutes section 12.32, Executive Orders 20-99 and 20-103 have “the full force and effect of law” during the peacetime emergency. Moreover, Modified Executive Order 20-99 authorizes the Attorney General to enforce its provisions and seek any relief available pursuant to Minnesota

Statutes section 8.31, including civil penalties up to \$25,000 per occurrence, costs of investigation and attorney's fees and costs, and injunctive relief.

## **II. INTERCHANGE VIOLATED EXECUTIVE ORDER 20-99.**

28. Beginning on December 16, 2020 and continuing as of the date of this Complaint, Defendant Interchange has opened its restaurant to ingress, egress, use, and occupancy by more than five members of the public, as well as for the on-premises consumption of food and beverages, in direct violation of Emergency Executive Order 20-99.

29. On December 15, 2020 at 9:59 p.m., Lisa Hanson, the "Owner & Proprietor" of Interchange, posted on Interchange's Facebook page. The post said Interchange would be open for "IN-DOOR DINING beginning WEDNESDAY, DEC. 16TH in defiance of the governor's orders."

30. On December 16, 2020 at 4:57 p.m., the Albert Lea Tribune posted an article titled '*This is About More Than Us*', reporting that Interchange "Opened at its typical time at 7:30 a.m. Wednesday, and at about 9 or 10 a.m. [Lisa Hanson] said there were people lined up to the door and beyond. The line didn't die down until about 3 ½ or four hours later. Hanson said a big portion of those customers were sitting down and dining in."

31. The next evening, December 17, 2020 at 7:15 p.m., The Interchange posted that there would be "FRIDAY NIGHT LIVE MUSIC" on December 18, starting at 5pm.

32. On December 18, 2020, MDH served a cease-and-desist order on Interchange, stating that Defendant "must cease and desist operation of a food and beverage service establishment at The Interchange for a period not to exceed 72 hours commencing at the time of receipt of this order." The order noted that an MDH representative inspected The Interchange on

December 16, and “the establishment was open for on-site consumption of food and beverages. The [owner] noted that [Interchange] will continue to allow on-site consumption.”

33. On the morning of Saturday, December 19, 2020, a representative from MDH observed that Interchange was open, and that people inside were eating and drinking.

34. Governor Walz’s Emergency Executive Orders 20-99 and 20-103 were issued to slow the community spread of COVID-19 and thereby protect public health and safety. This includes, in part, requiring settings that are especially high risk for the easy transmission of COVID-19 from person to person and out into the community to temporarily close to on-premises dining and restrict entry by members of the public to protect the public’s health and safety. Without such restrictions, the dangerous public health emergency Minnesota is currently facing would continue to worsen threatening the health, safety, and lives of Minnesotans. Attorney General Keith Ellison has authority to enforce Modified Executive Order 20-99, and brings this action to enjoin and remediate Defendant Interchange’s violations described herein.

**COUNT I**  
**VIOLATION OF ORIGINAL EMERGENCY EXECUTIVE ORDER 20-99**

1. Plaintiff re-alleges all prior paragraphs of this Complaint.
2. Paragraph 7.c.iii.(A)(1) of Executive Order 20-99 provides in relevant part:

**c. Places of Public Accommodation.** Places of Public Accommodation are subject to the following requirements and limitations:

...

iii. Certain Place of Public Accommodation Closed to Members of the Public. The following Places of Public Accommodation are closed to members of the public as set forth below. “Members of the public” means people who are not workers affiliated with the Place of Public Accommodation.

(A) Restaurants, food courts, cafes, coffeehouses, bars, . . . and other Places of Public Accommodation offering food, beverages (including alcohol

beverages), or tobacco products for on-premises consumption are closed to ingress, egress, use, and occupancy by members of the public, except as set forth below.

1. The above establishments may, and are encouraged to, offer food and beverage using delivery services, window service, walk-up service, drive-through service, or drive-up service. In offering food or beverage service under this paragraph, a Place of Public Accommodation may permit up to five members of public accommodation for the purpose of picking up their food or beverage orders. All such establishments must[] follow the requirements for all businesses set forth below and industry-specific guidance available on the Stay Safe Minnesota website (<https://staysafe.mn.gov>).

3. Paragraph 7.c.iii (D) of Executive Order 20-99 provided in relevant part:

**iii. Certain Place of Public Accommodation Closed to Members of the Public.** The following Places of Public Accommodation are closed to members of the public as set forth below. “Members of the public” means people who are not workers affiliated with the Place of Public Accommodation.

(B) Venues providing indoor events and entertainment such as theaters, cinemas, concert halls, festivals, fairs, vendor fairs, museums, performance venues, stadiums, arcades, and bowling alleys are closed to ingress, egress, use, and occupancy by members of the public. Such establishments may, and are encouraged to, use their facilities to provide virtual or remote programming.

4. Defendant is a “Place of Public Accommodation” as defined by Executive Order 20-99 paragraph 5.f because Defendant is a business (as defined by Executive Order 20-99 paragraph 5.c) whose goods, services, facilities, privileges, advantages, or accommodations are extended, offered, sold, or otherwise made available to the public.

5. Defendant is a restaurant or bar, as those terms are used in Executive Order 20-99 paragraph 7.c.iii.A, because it offers food or beverages for on-premises consumption. Thus it was required to remain closed to ingress, egress, use, and occupancy by members of the public from November 20, 2020 at 11:59 pm through December 18, 2020 at 11:59 pm for on-premises consumption, except that Defendant could permit up to five members of the public at one time for the purpose of picking up their food or beverage orders.

6. On December 16, 17, and 18, 2020, Defendant provided on-premises consumption of food or beverages to the public, and allowed more than five members of the public in its restaurant at any one time.

7. Defendant also unlawfully operated as a venue providing indoor events and entertainment, as that term is used in Executive Order 20-99, because Defendant hosted indoor entertainment, to wit: indoor live music at its restaurant on December 18, 2020.

8. Defendant's conduct, practices, and actions described in this Complaint constitute multiple, separate violations of Executive Order 20-99.

**COUNT II**  
**VIOLATION OF MODIFIED EXECUTIVE ORDER 20-99**

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

10. Paragraph 7.c.vi of Modified Executive Order 20-99 provides in relevant part:

**c. Places of Public Accommodation.** Places of Public Accommodation are subject to the following requirements and limitations:

...

vi. Restaurants, food courts, cafes, coffeehouses, bars, taverns, breweries, microbreweries, distilleries, brewer taprooms, micro distiller cocktail rooms, tasting rooms, wineries, cideries, clubhouses, dining clubs, tobacco product shops, hookah bars, cigar bars, vaping lounges, and other Places of Public Accommodation offering food, beverages (including alcoholic beverages), or tobacco products for on-premises consumption must remain closed for indoor service. . . .

11. Defendant is a "Place of Public Accommodation" as defined by Modified Executive Order 20-99 paragraph 5.f because Defendant is a business (as defined by Modified Executive Order 20-99 paragraph 5.c) whose goods, services, facilities, privileges, advantages, or accommodations are extended, offered, sold, or otherwise made available to the public.

12. Defendant is a restaurant or bar, as those terms are used in Modified Executive Order 20-99 paragraph 7.c.vi, because Defendant offers food or beverages for indoor on-premises

consumption and thus must be closed to ingress, egress, use, and occupancy by members of the public from December 18, 2020 at 11:59 pm through January 10, 2021, except that Defendant may permit up to five members of the public at one time for the purpose of picking up their to-go food or beverage orders.

13. On and after December 19, 2020, Defendant has provided on-premises indoor consumption of food or beverages to the public, and has allowed more than five members of the public in the restaurant at any one time.

14. Defendant's conduct, practices, and actions described in this Complaint constitute multiple, separate violations of Modified Executive Order 20-99.

#### **PRAYER FOR RELIEF**

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

1. Declaring that Defendant's actions, as set forth above, constitute multiple, separate violations or threatened violations of the original Executive Order 20-99 and Modified Executive Order 20-99;

2. Enjoining Defendant and its 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 any conduct in violation or threatened violation of Modified Executive Order 20-99, or any future Executive Orders relating to restaurants, bars, or similar facilities;

3. Awarding judgment against Defendant for restitution, disgorgement, and/or damages to the State under the *parens patriae* doctrine, the general equitable powers of this Court,

Minnesota Statutes section 8.31, and any other authority, for all violations described in this Complaint;

4. Awarding judgment against Defendant for civil penalties of up to \$25,000 pursuant to Minnesota Statutes section 8.31, subdivision 3, and section 645.24, for each separate violation of the original Emergency Executive Order 20-99 and Modified Executive Order 20-99;

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

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

Dated: December 21, 2020

KEITH ELLISON  
Attorney General  
State of Minnesota

/s/ Justin Moor

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**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/ Justin Moor*

JUSTIN MOOR