

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF STEARNS

SEVENTH JUDICIAL DISTRICT

Case Type: Other Civil

State of Minnesota by its Attorney General,
Keith Ellison,

Court File No. _____

Plaintiff,

CIVIL SUMMONS

vs.

Evergreen Acres Dairy, LLC, Evergreen
Estates, LLC, Morgan Feedlots, Inc., Keith
Schaefer, and Megan Hill,

Defendants.

THIS SUMMONS IS DIRECTED TO: Evergreen Acres Dairy, LLC; Evergreen Estates, LLC; Morgan Feedlots, Inc., Keith Schaefer, and Megan Hill, 26162 240th St., Paynesville, Minnesota 56362.

1. **You are being sued.** The Plaintiff has started a lawsuit against you. The *Complaint* is attached to this summons. Do not throw these papers away. They are official papers that affect your legal rights, even if nothing has been filed with the Court and there is no court file number on this *Summons*.

2. **You must BOTH reply, in writing, AND get a copy of your reply to the person/business who is suing you within 21 days to protect your rights.** Your reply is called an *Answer*. Getting your reply to the Plaintiff is called service. You must serve a copy of your *Answer or Answer and Counterclaim* (Answer) within 21 days from the date you received the *Summons* and *Complaint*.

ANSWER: You can find the *Answer* form and instructions on the Minnesota Judicial Branch website at www.mncourts.gov/forms under the “Civil” category. The instructions will explain in detail how to fill out the *Answer* form.

3. **You must respond to each claim.** The *Answer* is your written response to the Plaintiff’s *Complaint*. In your *Answer* you must state whether you agree or disagree with each paragraph of the *Complaint*. If you believe the Plaintiff should not be given everything asked for in the *Complaint*, you must say that in your *Answer*.

4. **SERVICE: You may lose your case if you do not send a written response to the Plaintiff.** If you do not serve a written *Answer* within 21 days, you may lose this case by default. You will not get to tell your side of the story. If you choose not to respond, the Plaintiff may be awarded everything they asked for in their *Complaint*. If you agree with the claims stated in the *Complaint*, you don't need to respond. A default judgment can then be entered against you for what the Plaintiff asked for in the complaint.

To protect your rights, you must serve a copy of your *Answer* on the person who signed this *Summons* in person or by mail at this address: 445 Minnesota Street, Suite 1200, St. Paul, Minnesota 55101.

5. Carefully read the Instructions (CIV301) for the *Answer* for your next steps.

6. **Legal Assistance.** You may wish to get legal help from an attorney. If you do not have an attorney and would like legal help:

- Visit www.mncourts.gov/selfhelp and click on the “Legal Advice Clinics” tab to get more information about legal clinics in each Minnesota county.
- Court Administration may have more information about places where you can get legal assistance.

NOTE: Even if you cannot get legal help, you must still provide a written *Answer* to protect your rights or you may lose the case.

7. **Alternative Dispute Resolution (ADR).** The parties may agree to or be ordered to participate in an ADR process under Rule 114 of the Minnesota General Rules of Practice. You must still serve your written *Answer*, even if you expect to use ADR.

Dated: January 8, 2024

Respectfully submitted,

KEITH ELLISON
Attorney General

JESSICA WHITNEY
Deputy Attorney General
State of Minnesota

/s/ Jonathan D. Moler
JONATHAN D. MOLER (#0396621)
Assistant Attorney General

LINDSEY W. LEE (#0397739)
Assistant Attorney General

JASON PLEGGENKUHLE (#0391772)
Assistant Attorney General

445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130
(651) 724-9951
(651) 757-1147
jonathan.moler@ag.state.mn.us
lindsey.lee@ag.state.mn.us
jason.pleggenkuhle@ag.state.mn.us

Attorneys for Plaintiff, State of Minnesota

STATE OF MINNESOTA
COUNTY OF STEARNS

DISTRICT COURT
SEVENTH JUDICIAL DISTRICT

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State of Minnesota by its Attorney General,
Keith Ellison,

Court File No. _____

Plaintiff,

COMPLAINT

vs.

Evergreen Acres Dairy, LLC, Evergreen
Estates, LLC, Morgan Feedlots, Inc., Keith
Schaefer, and Megan Hill,

Defendants.

INTRODUCTION

The State of Minnesota, by its Attorney General, Keith Ellison (the “State”), for its Complaint against Defendants Evergreen Acres Dairy, LLC, Evergreen Estates, LLC, Morgan Feedlots, Inc., Keith Schaefer, and Megan Hill, alleges as follows:

1. Evergreen Acres Dairy, LLC, Evergreen Estates, LLC, and Morgan Feedlots, Inc. (collectively “Evergreen”) is a large Minnesota dairy producer primarily located in Stearns County. It is owned and operated by Keith Schaefer and his daughter, Megan Hill. For years, Schaefer, Hill, and Evergreen have run their business on the backs of employees that they systematically and illegally exploit. Many are unauthorized workers largely from the Oaxaca region of Mexico that speak the Zapotec language as their first language, Spanish as their second language, and limited or no English.

2. Evergreen has used the vulnerabilities of its unauthorized workforce to withhold large sums of earned wages from its employees, who work demanding and dangerous 12-hour

shifts at least six days per week. Among other responsibilities, these employees routinely handle fully grown cows and corral them into pens and use heavy equipment such as front loader tractors to haul manure.

3. Evergreen has failed to pay its employees all the wages they have earned in a variety of ways. Evergreen systematically underreports the number of hours that employees work on their paystubs, often shaving 12-24 hours from employee paystubs in each two-week pay period. In doing so, the State estimates that Evergreen has avoided paying millions of dollars in regular wages and overtime premiums to its employees.

4. Evergreen also frequently refuses to pay employees their outstanding wages once their employment with Evergreen has ceased. Evergreen further gouges its employees by making systematic, unlawful deductions from employee pay without first obtaining written authorization to do so from its employees as required by law.

5. To ensure it can hire and retain sufficient workers in a region where rental housing is sparse, Defendants also act as landlords and sell rental housing services to many of their employees. However, the homes' conditions are squalid, substandard, and do not meet Minnesota's standards for habitability. For example, some housing is built onto or within barns where tractors are stored and lack bedrooms with windows. Other properties lack heat, with employee-tenants heating their rooms with space heaters. One rental home even lacks an on-site toilet, forcing employees to walk to a neighboring barn to use a toilet. Most employee housing locations suffer from pervasive microbial growth, mildew, and/or insect infestations.

6. On top of substandard housing, Evergreen routinely violated the rights of its employee-tenants both during and at the termination of their tenancies. Particularly, employees reported that they were subject to frequent unannounced violations of their privacy rights in the

form of Evergreen management inspecting employee housing—including bedrooms—unannounced. Evergreen often punished employee-tenants based on these housing inspections, unlawfully deducting money from their wages for dirty rooms and even firing and kicking employees out of Evergreen housing without notice when they were suspected to be drinking alcohol.

7. The State of Minnesota, by and through its Attorney General, Keith Ellison, brings this enforcement action to stop Evergreen’s unlawful failure to pay its employees all the wages they have earned, to stop its violations of Minnesota’s housing habitability standards and tenant protections, and to fully remediate the harm its unlawful practices have caused to its employees.

PARTIES

8. Keith Ellison, the Attorney General of the State of Minnesota, is authorized under Minnesota Statutes chapter 8, including sections 8.01 and 8.31; the Minnesota Fair Labor Standards Act, section 177.45; and the Payment of Wages Act, section 181.1721, and has common law authority, including *parens patriae* authority, to bring this action to enforce Minnesota’s laws, to vindicate the State’s sovereign and quasi-sovereign interests, and to remediate all harm arising out of—and provide full relief for—violations of Minnesota’s laws.

9. Defendant Evergreen Acres Dairy, LLC is a domestic corporation with a registered office address and principal executive office address at 26162 240th St., Paynesville, MN 56362. Evergreen Acres Dairy has no registered agent and its manager is listed as Keith Schaefer. Evergreen Acres Dairy’s primary business is dairy production.

10. Defendant Morgan Feedlots, Inc. is a domestic corporation with a registered office address at 26162 240th St., Paynesville, MN 56362 and a principal executive office address at 41762 215th St., Morgan, MN 56266. Morgan Feedlots’ Chief Executive Officer is listed as

Megan Hill, 26162 240th St., Paynesville, MN 56362. Morgan Feedlots' mailing address is listed at 41762 215th St., Morgan, MN 56266. Morgan Feedlots has no registered agent. Morgan Feedlots' primary business purpose is to provide labor to Evergreen Acres Dairy.

11. Evergreen Estates, LLC is a domestic corporation with a registered office address and principal executive office address at 26162 240th St., Paynesville, MN 56362. Evergreen Estates has no registered agent and its manager is listed as Keith Schaefer. Evergreen Estates owns the real property rented to Evergreen Acres Dairy.

12. Defendant Keith Schaefer is the owner and president of Evergreen Acres Dairy and Evergreen Estates. Schaefer oversees all day-to-day tasks for Evergreen Acres Dairy and Evergreen Estates and makes all major management decisions, including deciding all payroll decisions for all Evergreen companies. Schaefer also has supervisory responsibility at Morgan Feedlots. Schaefer also manages housing for Evergreen employees.

13. Defendant Megan Hill is the owner of Morgan Feedlots. Hill also has supervisory responsibilities with Evergreen Acres Dairy, including herd management. Hill sets schedules and manages housing for employees. Hill sets work schedules for Evergreen employees and manages Evergreen employee housing.

JURISDICTION AND VENUE

14. This Court has subject matter jurisdiction over this action pursuant to Minnesota Statutes sections 8.01, 8.31, 177.45, 181.1721, and common law.

15. This Court has personal jurisdiction over this matter because, at all times relevant to this Complaint, Evergreen, Schaefer, and Hill have transacted business within Minnesota, have committed acts causing injury to their employees located in Minnesota, and have otherwise purposefully availed themselves of this forum.

16. Venue is proper in Stearns County pursuant to Minnesota Statutes section 542.09 because many of the unlawful practices discussed herein occurred in Stearns County.

FACTUAL ALLEGATIONS

I. OVERVIEW OF EVERGREEN'S BUSINESS OPERATIONS.

17. Evergreen Acres Dairy, Evergreen Estates, and Morgan Feedlots are three interrelated companies that operate as a single enterprise engaged in the business of dairy production, which includes cow's milk production, calf bearing, and calf rearing.

18. Keith Schaefer and his wife own and operate Evergreen Acres Dairy and Evergreen Estates. Keith Schaefer is the individual with primary management and decision-making authority.

19. Evergreen Acres Dairy employs numerous individuals, but the bulk of its workforce is provided by Morgan Feedlots. Morgan Feedlots is owned by Hill, but Schaefer also has supervisory and managerial authority over Morgan Feedlots' employees. Similarly, Hill has supervisory authority over Evergreen Acres Dairy's employees.

20. Evergreen Acres Dairy does not own the land that it operates on, instead leasing that land from Evergreen Estates and other third parties. Evergreen has slowly expanded over the years by buying up and leasing smaller farms throughout Stearns and Redwood counties.

21. Evergreen operates the following six facilities, all of which are owned by Evergreen Estates:

No.	Name	Description	Address
1.	Main Farm	main milking and feed storage	26162 240th St., Paynesville, MN 56362
2.	Darrin's	grain holding site and beef feedlot	26331 240th St., Paynesville, MN 56362
3.	Westman	dry cow site and secondary feed storage	24165 Co. Rd. 12, Richmond, MN 56368

4.	Calf Site	milking and pre-weaned calf site	24168 Co. Rd. 117, Albany, MN 56307
5.	Machine Lot	machine storage site	22376 265th Ave., Paynesville, MN 56362
6.	Morgan Farm	youngstock feedlot	41762 215th St., Morgan, MN 56266

22. Evergreen also operates thirteen additional facilities, all of which are owned by third parties and leased by Evergreen Estates:

No.	Name	Description	Address
1.	Overman Farm	milking site owned by Dale Overman	26438 Co. Rd. 30, Albany, MN 56307
2.	Blenker Farm	milking and youngstock site owned by Corey Blenker	26571 Co. Rd. 176, Freeport, MN 56307
3.	Lembeck Farm	milking and youngstock site owned by Steve Lembeck	34426 Co. Rd. 14, Spring Hill, MN 56352
4.	Arceneau Farm	youngstock site owned by Jeff Arceneau	25196 Co. Rd. 174, Albany, MN 56307
5.	Schmitt Farm	youngstock site owned by Paul Schmitt	25569 225th St., Paynesville, MN 56362
6.	LS Dairy Facility	milking facility owned by LS Dairy Facility, LLC	16909 Co. Rd. 2, Watkins, MN 55389
7.	Lauer Farm	heifer yard site owned by Conrad Lauer	25458 Co. Rd. 195, Paynesville, MN 56362
8.	Hagemeier Farm	calving site owned by Jesse Hagemeier	27043 Co. Hwy. 23, Albany MN 56307
9.	Burg Farm	youngstock site and farmland owned by Dan Burg	27003 Co. Rd. 32, Paynesville, MN 56362
10.	Kunstleben Farm	youngstock site and farmland owned by Dean Kunstleben	26843 230th St., Paynesville, MN 56362
11.	Schramel Farm	farmland owned by Ralph and Ann Schramel	23527 Co. Rd. 12, Richmond, MN 56368

12.	Braegelman Farm	farmland owned by Lori Braegelman	29578 353d Ave, Spring Hill, MN 56352
13.	Lieser Farm	farmland owned by Gary Lieser	34798 Co. Rd. 32, Paynesville, MN 56362

23. To operate these numerous facilities, Evergreen has employed hundreds of employees over the past three years. Many of Evergreen's employees come from the Oaxaca region of Mexico, who Evergreen recruits through current employees and through employee family members. These employees largely speak the Zapotec language. Most of these employees speak Spanish as a second language, and most have little to no ability to understand the English language.

24. In addition to being an employer, Evergreen also acts as a landlord to many of its employees, selling rental housing services to them. Evergreen does not, however, enter into written leases with its employee-tenants or maintain any policies or manuals that govern employee-tenant conduct in Evergreen housing. Evergreen also does not keep any records regarding the costs of maintenance or repairs for employee housing or whether maintenance and repairs have occurred at all.

25. Numerous Evergreen employees live at a minimum of five different Evergreen-owned properties. Evergreen employees also live at the Blenker Farm and the Lembeck Farm, which are leased to Evergreen.

Housing Location	Housing Type	Number of Bedrooms	Number of employees per bedroom
Darrin's	House	6	1-2
Machine Lot	House	6	1-2
Calf Site	House	5	1-2

Westman	House; 4-unit building	6; 4	1-2; 1-2
Morgan Farm	House	3	1
Blenker	Barn	8	1-2
Lembeck	Barn addition	3	1

26. Evergreen’s employees routinely work long hours performing various jobs, including milking cows, corralling cows, feeding cows, crop/manure maintenance, breeding cows, herding cows, maternity caretaker, colostrum feeders, farm laborers, and mechanics. Each of these occupations are physically demanding and run the risk of death and serious injury.

27. Evergreen employees are told their work schedules either orally or the schedule is written and communicated to employees (but not preserved) on a white board calendar. Employees generally worked in 12-hour shifts, with some employees working the day shift and some employees working the night shift. Some employees shared rooms with other employees who worked opposite shifts and shared the same bed. Employees generally worked at least 6—and oftentimes 7—days per week. Employees recorded their time via timecards. Depending on the facility, employees either used a time-punch machine or recorded their time on written timesheets. These timesheets demonstrate that workers generally worked at least 12 hours per shift, oftentimes more, and usually worked 6-7 days per week.

28. Depending on their job title, Evergreen employees involved in dairy production made between \$12.50 and \$17.50 per hour until Evergreen purportedly switched its workers to a “salary” that was, in effect, a day rate.

29. Employees were paid twice per month by check from Evergreen, oftentimes once on the 5th day of the month and once on the 20th day of the month. Evergreen made deductions

for housing from each employee-tenant's paycheck. The deductions were generally for \$100 but ranged from \$70-150 in each two-week pay period.

II. EVERGREEN VIOLATED MINNESOTA WAGE LAWS IN NUMEROUS, REPEATED, AND SYSTEMATIC WAYS.

30. Schaefer, Hill, and Evergreen blatantly and systematically fail to pay earned wages, including overtime premiums, to its workers.

A. Evergreen Systematically Shaved Hours off of Employee Paystubs.

31. Evergreen employees generally worked 12-hour shifts six or seven days per week. The most common work schedule for an employee was thirteen 12-hour shift days of work during each two-week pay period. This means that many Evergreen employees only had one day off from work to rest every two weeks. Others worked even more, taking only one day off from work every four weeks and working as much as 168 hours during each two-week pay period (fourteen 12-hour shifts). In other words, most Evergreen employees worked extremely long hours, performing at least between 144 and 156 hours of work every pay period.

32. Each pay period, however, Evergreen routinely paid its employees for far fewer hours than the total number of hours that they actually worked. For example, Employee A received one day off per month and generally worked 12-hour shifts on all other days of the month. Such a schedule means that Employee A worked approximately 84 hours every week except for the week when he had a day off, where he worked 72 hours. This means, that for each regular pay period, Employee A worked between 156 and 168 hours. Yet Evergreen routinely falsely recorded Employee A as having worked only 140 to 150 hours each pay period, and only paid him for this falsely reduced amount of time. This meant that Evergreen routinely failed to pay Employee A for at least 6 to 16 hours of work he performed each pay period.

EVERGREEN ACRES DAIRY

Earnings and Hours
Hourly 68.00 15.00 1,040.00 YTD Amount
Overtime (x1.5) hourly 48.00 22.50 1,080.00
Total 144.00 2,520.00

Taxes
Medicare Employee Add'l Tax Current YTD Amount
Federal Withholding
Social Security Employee
Medicare Employee
MN - Withholding

Adjustments to Net Pay
Miscellaneous Deduction Current YTD Amount
Net Pay

Pay Period: [Redacted] Pay Date: [Redacted]

180 Hrs X 15.00 = \$2,700
- \$75 rente
= \$2,625
\$2,520
\$105

EVERGREEN ACRES DAIRY LLC, 28162 240TH ST, PAYNESVILLE, MN 55962 320-548-9006

www.checkforless.com 800-245-5775

WEEK ENDING

Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday	
In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
12	12	2	12	3	12	4	12	5	12	6	12	7	12
12 hrs 15 days 180 hrs													

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34. In reality, for that pay period alone, Evergreen had underpaid Employee A \$810 in overtime wages by underreporting the number of overtime hours he had worked during the pay period.

35. Similarly, Employee B, routinely worked thirteen 12-hour days—or 156 hours—every two weeks. However, Evergreen typically only paid Employee B for between 120 to 130 hours of work each pay period. As a result, Evergreen failed to pay Employee B for at least 26 to 36 hours of work he performed each pay period. An example of Employee B's timesheet is below, showing a fourteen-shift timesheet for the pay period in question (168 hours). However, Employee B was only paid for 144 hours during this pay period for a total of \$2,184.00. Had Employee B been paid for all of his time worked, he would have been paid \$1,404 for 72 hours of overtime, plus \$1,248 for 96 regular hours, for a total of \$2,652. By underreporting the hours worked on his paystub, Evergreen underpaid Employee B by \$468 in this pay period alone.

NAME _____

WEEK ENDING _____

In	Monday	APR 15 PM 7:41
Out		APR 16 AM 8:10
In		APR 16 PM 7:37
Out		APR 17 AM 8:10
In	Tuesday	APR 18 PM 7:41
Out		APR 19 AM 8:12
In		APR 19 PM 7:39
Out		APR 20 AM 8:11
In	Wednesday	APR 20 PM 7:37
Out		APR 21 AM 8:13
In		APR 21 PM 7:44
Out		APR 22 AM 8:10
In	Thursday	APR 22 PM 7:23
Out		APR 23 AM 8:11
In		APR 23 PM 7:42
Out		APR 24 AM 8:11
In	Friday	APR 25 AM 7:35
Out		APR 25 PM 8:12
In		APR 26 PM 7:44
Out		APR 27 AM 8:12
In	Saturday	APR 27 PM 7:35
Out		APR 28 AM 8:18
In		APR 28 PM 7:00
Out		APR 29 AM 8:15
In	Sunday	APR 29 PM 7:41
Out		APR 30 AM 8:14
In		APR 30 PM 7:38
Out		NOV 1 AM 8:12

Office DEPOT. www.officedepot.com 1-866-795-8481
 OM99853 Item 1378812

36. As another example, Employee C routinely worked six 12-hour shifts—or 72 hours—per week. However, Evergreen typically only paid Employee C for 60-66 hours of work per week. As a result, Evergreen routinely underpaid Employee C for at least 6-12 hours per week or 12-24 hours of work he performed each pay period.

37. Likewise, Employee D routinely worked thirteen 12-hour shifts—or 156 hours—every two weeks. However, Evergreen typically only paid Employee D for between 130-140 hours per pay period. As a result, Evergreen systematically failed to pay Employee D for at least 16-32 hours each pay period.

38. As yet another example, Employee E routinely worked thirteen 12-hour shifts—or 156 hours—every two weeks. However, Evergreen routinely underpaid Employee E for 140-150 hours per pay period. As a result, Evergreen habitually failed to pay Employee E for at least 12-32 hours each pay period.

39. This Complaint contains representative examples of employees' not being paid by Evergreen for all the hours they worked to exemplify and illustrate Evergreen's pervasive, systemic, and willful scheme of depriving employees of the all the wages they are owed. The State's case is not limited to the illustrative examples that are included in this Complaint solely for the purpose of exemplifying the company's systemic course of unlawful conduct that likely affected more than 200 workers.

40. The State estimates that employees are owed at least \$3,000,000 in total unpaid back wages and overtime premiums as a result of Evergreen's pervasive, systemic, and willful practice of not paying employees for all hours they worked each pay period.

B. Evergreen Systematically Refused to Pay Employees Wages for the Beginning or End of Employment.

41. Since January 1, 2020, Evergreen employed at least 238 employees, 161 of whom quit or were fired.

42. When they initially came to Minnesota and began working for Evergreen, most employees did not receive a paycheck from Evergreen for the first two weeks they worked. It was

unclear to many employees the reason why they were not paid for their first two weeks of work. Some employees believed it was for training costs.

43. For example, Employee F was not paid for his first two weeks of work. Employee F also quit working for Evergreen three days into a new pay period and Evergreen did not pay him for that time.

44. Another worker, Employee B was not paid during his first two weeks of work in July 2021. He asked his supervisor why he was not paid for his first two weeks and was told that this was training time and that Evergreen did not pay workers for their first two weeks unless they stayed on for at least six months. Employee B continued to ask about this pay and was finally paid by personal check in January 2022. Employee B does not believe that other workers are generally paid for this time and does not believe he would have been paid for his first two weeks of work if not for his persistence.

45. In addition to a failure to pay employees their initial paychecks, Evergreen also routinely does not pay terminated employees their final paycheck. Moreover, even when employees pushed back and demanded final payment, they often only received partial pay rather than a final paycheck for all hours worked.

46. For example, Employee A was fired after asking to be paid overtime wages. The last check Employee A received did not include his final wages. Employee A attempted to get Schaefer to pay him his final wages after he had been fired, but Schaefer told him that there was no additional money and ordered him to leave the premises.

47. Similarly, Employee C was injured at work by getting chemicals in his eye. He took a day off to go see his doctor. When he attempted to return to work, Evergreen told him that he was no longer employed and never paid Employee C his final paycheck.

48. Another employee, Employee G worked for Evergreen for about 20 days. Employee G was fired after he had a conflict with another worker. Employee G never received any payment for his time working for Evergreen.

49. This Complaint contains representative examples of employees' not receiving first and final paychecks from Evergreen for time worked to exemplify and illustrate Evergreen's pervasive, systemic, and willful scheme of depriving workers of the all the wages they are owed. The State's case is not limited to the illustrative examples that are included in this Complaint solely for the purpose of exemplifying the company's course of unlawful conduct.

50. The State estimates that employees are owed between \$326,865 and \$413,247 in total unpaid first and/or last paycheck wages and associated overtime premiums as a result of Evergreen's pervasive, systemic, and willful practice of not paying employees for time worked during their first and final pay periods.

C. Evergreen Systematically Made Deductions from Wages Without Written Authorization.

51. Evergreen is a landlord that sells rental housing services to many of its employees, with its housing units located at eight of its worksites.

52. Evergreen routinely made unauthorized deductions from its employees' paychecks for the rental housing services it sold to its employee-tenants. These unauthorized housing deductions from employee-tenant's pay generally were in the amount of between \$70-\$150 each pay period.

53. Evergreen did not provide employees with a wage notice required by law upon hire that laid out the housing deductions Evergreen would make from employees' paychecks.

54. Evergreen also did not execute written leases with its employee-tenants evidencing an agreed-upon monthly rent amount employee-tenants agreed to pay Evergreen for rental housing services.

55. Indeed, Evergreen did not obtain written authorizations from employees authorizing any deductions from their pay, including but not limited to housing deductions.

56. In addition to unauthorized deductions for housing, Evergreen made numerous unauthorized deductions for other miscellaneous reasons, including if Evergreen considered employee-tenant housing messy. For example, Hill deducted \$700 from Employee D and his partner's wages because Employee D left his room messy. Employee D sent Hill messages through WhatsApp seeking an explanation for why his wages were short. Hill confirmed that it was because she felt his room was too messy. Employee D testified that he never received those wages and that he left employment with Evergreen because his hours were constantly being shorted as described in section III.A. of this Complaint.

57. All deductions that Evergreen made from their employees' pay were unlawful because Evergreen did not first obtain written authorization from their employees to make such deductions. This Complaint contains representative examples of Evergreen making unauthorized deductions from employees' paychecks to exemplify and illustrate Evergreen's pervasive, systemic, and willful scheme of deducting sums from employees' wages without their prior authorization. The State's case is not limited to the illustrative examples that are included in this Complaint solely for the purpose of exemplifying the company's course of unlawful conduct.

58. The State estimates that employees are owed between \$213,660 and \$266,895 as a result of Evergreen's pervasive, systemic, and willful practice of making unauthorized deductions from the wages of their employees.

III. EVERGREEN FAILED TO PROVIDE WAGE NOTICES TO EMPLOYEES, MAKE RECORDS, OR PRESERVE RECORDS.

59. Evergreen has attempted to hide the violations described above by unlawfully refusing to document most of its employment practices in writing, failing to provide employees with any of the written information about how they are paid that is required by law, and even destroying the timecards that they are required to keep by law that would show how many hours its employees actually worked. In fact, shortly after the State began its investigation, Evergreen claimed that its workers were now being paid on a “salary” basis instead of by the hour, despite the fact that Evergreen continued to require its workers to work the same demanding 12-hour shifts and punch into and out of a time clock. Additionally, even though these employees were purportedly paid a “salary” after November 2022, these “salaries” changed by the week depending on how much employees worked, further demonstrating that they were fictitious. The workers themselves say that they were never informed about the purported change to a “salary” until June of 2023, and even then, were not notified in writing nor consented to this change as required by law.

60. Schaefer is Evergreen’s “President” and makes all payroll decisions for Evergreen as well as manages housing for employees. Megan Hill is an “employee manager” who “set schedules and manages housing for employees.”

61. Evergreen has failed to comply with Minnesota law regarding notice to employees and recordkeeping in numerous, substantial ways.

62. As an initial matter, despite Minnesota law requiring employers to keep employment records “for three years in the premises where an employee works,” Evergreen’s practice is to destroy employee personnel files “3 years after their start date or 1 year after their

termination date, whichever was later.” Evergreen’s practices violate Minnesota law because, personnel records must be kept for three years after termination date—not just one.

63. After hiring employees, Evergreen also failed to provide the written notices to employees required by Minn. Stat. § 181.032(d). These notices are meant to give employees certainty as to their employer’s legal identity, their rate of pay, whether they are exempt from overtime, and other important employment-related information.

64. When asked by the State to produce written employee notices, Evergreen claimed that it did not even have employment applications for employees, and that all applications were oral. Evergreen also admitted that it does not provide employees with the written employee notices required by law.

65. Evergreen also failed to provide employees with written leases that evidence the terms of employee-tenants’ rental agreements with Evergreen or any documents that detail any of Evergreen’s housing-related rules.

66. Evergreen also failed to provide any written notices to employees documenting a change in how their employees are paid, as required by Minn. Stat. § 181.032(f). Evergreen failed to document any notice provided to employees, despite Evergreen’s claim (without evidence) that it changed how its employees were paid in November 2022. Specifically, Evergreen claimed to have moved all dairy employees to a purported “salary” basis. Contrary to such claims, Evergreen employees report that they were paid hourly and never informed by Evergreen of any change to their pay until June 2023.

67. Evergreen also claims that it changed employee pay frequently after November 2022. For example, Evergreen claims to have changed an employee’s annual salary *28 times* over a period of approximately a year and a half. Evergreen did not provide proof that the employee

was ever informed of the changes to his pay. Evergreen has admitted that it did not provide written change notices to employees, claiming that such notifications were made orally, despite Minnesota law requiring that any pay change notices be made in writing.

68. Evergreen also destroyed the timecards and timesheets its employees used to punch in and out of work. The only pay records Evergreen preserved were paystubs that documented only the purported number of hours employees worked during a specific pay period—not how many hours employees worked each day of each workweek or what hours they worked. As described above, these paystubs are false and inaccurate because they systemically underreport the total number of hours worked by Evergreen’s employees. The timecards and timesheets that employees created in the course of their work that *would* show actual hours worked were conveniently destroyed by Evergreen and cannot be compared to their paystubs.

69. Evergreen admitted to destroying employee timecards, stating “the initial timesheets/timecards were thrown out with each new pay period.” After Evergreen was unable to provide timecards to the State it began retaining the timecards, which it was still requiring workers to complete, despite its claims that it was now paying its employees by salary.

NO.		PAY PERIOD ENDING	
NAME		NAME	
EXTRA TIME	REGULAR TIME	EXTRA TIME	REGULAR TIME
MONDAY	1 = 7:00:Am 7 = 7:00:Pm 3 = 7:00:Am 3 = 7:00:Pm	MONDAY	APR 1 Am 5:40 APR 1 Am 7:00 APR 2 Am 5:45 APR 2 Am 7:05
TUESDAY	4 = 7:00:Am 4 = 7:00:Pm 5 = 7:00:Am 5 = 7:00:Pm	TUESDAY	APR 4 Am 5:43 APR 4 PM 6:59 APR 5 Am 5:46 APR 5 PM 6:32
WEDNESDAY	6 = 7:00:Am 6 = 7:00:Pm 7 = 7:00:Am 7 = 7:00:Pm	WEDNESDAY	APR 6 Am 5:45 APR 6 PM 6:51 APR 7 Am 5:44 APR 7 PM 7:00
THURSDAY	8 = 7:00:Am 8 = 7:00:Pm 10 = 7:00:Am 10 = 7:00:Pm	THURSDAY	APR 8 Am 6:41 APR 8 PM 7:55 APR 9 Am 6:44 APR 9 PM 7:55
FRIDAY	11 = 7:00:Am 11 = 7:00:Pm 12 = 7:00:Am 12 = 7:00:Pm	FRIDAY	APR 11 Am 5:44 APR 11 PM 6:58 APR 12 Am 5:45 APR 12 PM 7:03
SATURDAY	13 = 7:00:Am 13 = 7:00:Pm 14 = 7:00:Am 14 = 7:00:Pm	SATURDAY	APR 13 Am 5:44 APR 13 PM 6:58 APR 14 Am 5:39 APR 14 PM 8:34
SUNDAY	15 = 7:00:Am 15 = 7:00:Pm	SUNDAY	APR 15 Am 6:44 APR 15 PM 8:03
TOTAL	TOTAL	TOTAL	TOTAL

70. Evergreen's failure to document its unlawful wage practices is willful. For example, Evergreen at one time maintained an Employee Handbook that stated that the "law requires Evergreen Acres to keep accurate records of 'time worked' in order to correctly calculate employee pay and benefits." However, Evergreen admits that it "previously had an employee handbook, but it was not used or shown to any employees" that worked for Evergreen from January

1, 2020, to the present. Evergreen also admits that no successor employee handbook or other written policies exist.

71. Evergreen also did not make any effort to document what employee-tenants it claimed owed them money for rent. In fact, according to Evergreen, it did not even accurately record what employees lived at particular properties. When asked by the State for a list of what employee-tenants lived at which Evergreen properties, Evergreen provided a spreadsheet that was “based off recollection and not documentation.”

IV. EVERGREEN VIOLATED ITS EMPLOYEE’S HOUSING RIGHTS IN NUMEROUS, REPEATED, AND SYSTEMATIC WAYS.

72. Evergreen not only violates numerous state wage and hour laws, it also violates numerous state rental laws. During all times relevant to this complaint, Evergreen has been the landlord to many of its employees, including well over 100 tenants during the past three years. Because many of Evergreen’s employees have no transportation and move to Minnesota to work for Evergreen—and because rental housing in Stearns and Redwood Counties is limited—Evergreen would likely not be able to hire sufficient workers if it did not also sell rental housing services. However, Evergreen’s employee-tenants did not even have the choice of which housing they lived in, often being moved to other housing arbitrarily at Evergreen’s whims. Minnesota law provides several unwaivable protections for tenants, including habitability requirements, privacy protections, and notice provision, all of which Evergreen has violated.

A. The Housing Evergreen Employee-Tenants Lived in Grossly Violates Minnesota’s Covenants of Habitability.

73. Evergreen’s rental housing is unsanitary to the point of at least one of the rental homes not even having a toilet in the home.

74. For example, numerous employees were forced to share small rooms with no windows—a serious safety issue in the event of a fire or other emergency. And most, if not all, of the homes have significant issues with mildew, microbial growth, and insect infestations.

i. Evergreen’s Rental Housing at Blenker Farm.

75. At Blenker Farm, Evergreen’s housing was built inside of a large barn that also housed farming equipment such as tractors. The entry area outside of the barn and the floor of the barn leading into the door to the employee rental housing was covered with dirt and straw, and the odor of manure was prominent.

76. The housing was severely infested with cockroaches, including in the common areas and in and around the housing’s old and rusted fridge.



77. The kitchen was split into two areas, one with a stove and a refrigerator, and another with a sink and a refrigerator. The area with the sink and refrigerator appears to have once been a

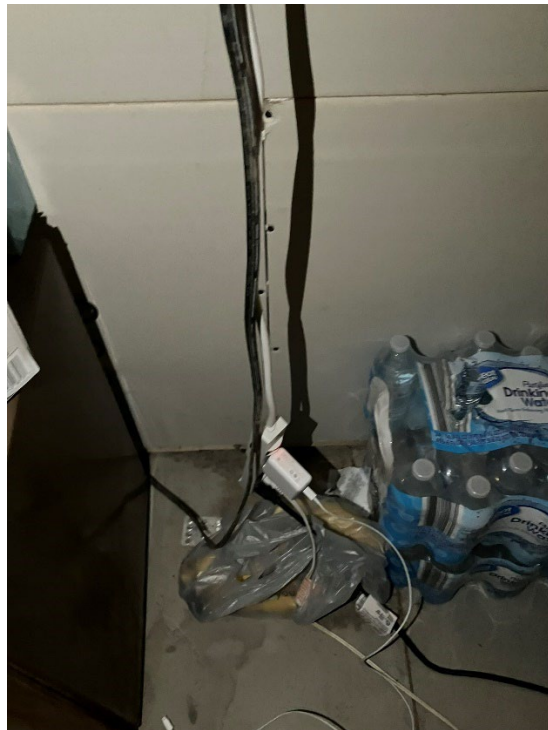
utility area. There is no counter space and the “kitchen” sink was a free-standing utility sink next to a water heater.



78. The housing’s bathroom lacked a toilet and only contained a shower that was covered with mildew, microbial growth, and rust. Due to the housing’s lack of a toilet, employee-tenants apparently had to walk to a neighboring barn to use the toilet.



79. At least four of employee rental housing's rooms that were used by employees as "bedrooms" had no windows or other means of egress. Another of these "bedrooms" had a window that would not open and thus lacked a viable egress. The walls of the "bedrooms" were also unfinished drywall that were not taped, mudded, or painted. The walls also lacked finishes that would keep pests out and rags and filler had been inserted in large cracks between the unfinished drywall and the concrete floor. Finally, the bedrooms also appeared to lack any heating facilities to keep these "bedrooms" warm during the winter.



ii. Evergreen’s Rental Housing at Lembeck Farm.

80. At Lembeck Farm, Evergreen rented housing to employee-tenants in an unfinished dwelling unit. The housing was added to a pre-existing barn and included a common area kitchen with exposed framing, exposed insulation, and an air conditioning unit venting into the kitchen.



81. The housing’s three “bedrooms”—similar to Evergreen’s Blenker Farm housing—were unfinished, with plain plywood walls and exposed insulation. Neither “bedroom” had windows or any manner of egress.



iii. Evergreen's Rental Housing at the Calf Site.

82. At the Calf Site, a barn had been converted to five studio apartments with single rooms that also contained a kitchenette and bathroom.

83. The Calf Site housing was infested with insects, including cockroaches crawling out of the property's fuse box.

84. It is unclear whether Evergreen provided heating in these units. Electric space heaters were in the units.

85. There was significant water, mildew, and microbial growth damage throughout the studio apartments. The damage was particularly bad near the studio apartments' bathrooms.

86. Most of the tenants in the Calf Site housing used wooden pallets as frames for their beds. There was moisture on the floor near the pallets and signs of previous water damage on the pallets.



87. The Calf Site's first apartment lacked a stove and was only equipped with a two-burner countertop range, similar to the type of appliance that employee-tenants report that they supplied themselves.

88. The first apartment lacked functioning plumbing, with the plumbing for the sink not actually connected to the drainage plumbing.



89. The Calf Site's second, third, and fourth apartment also lacked a stove, with only countertop appliances present.

90. Although the fifth apartment appeared to have baseboard heating, the heating was not operative, and the temperature of the apartment was below 60 degrees Fahrenheit.

iv. Evergreen's Rental Housing at Westman.

91. At Westman, Evergreen rented a house and an out-building divided into studio apartments to its employee-tenants.

92. At the Westman house, the common areas were in poor condition, including kitchen appliances.

93. The Westman house's common bathroom shared by employee-tenants was in disrepair and covered with mildew and microbial growth.



94. At Westman, Evergreen also rented a small one-story out building divided into four studio apartments to its employee-tenants. The walls to these apartment units were unfinished. Each apartment had visible insect infestations.

95. The first Westman studio apartment lacked a stove, and the showerhead was actively leaking.



96. The second Westman studio also lacked a stove and the entrance to the studio was in disrepair.



97. The third Westman studio, like the other studios, lacked a stove. It also had significant mildew and microbial growth underneath the sink.



98. The fourth Westman studio also lacked a stove.

v. Evergreen's Rental Housing at the Machine Lot

99. At the Machine Lot, Evergreen rented a house to its employee-tenants. The house contained six different “bedrooms” and a hallway, which at least one employee-tenant used as a living space.

100. The first floor of the house contained two rooms employee-tenants were using as “bedrooms”—neither of which had a window or other means of egress. The walls at the Machine Lot house were unfinished, often consisting of un-taped drywall or plywood.



101. Some of the rooms used for “bedrooms” were not bedrooms at all. For example, Evergreen had employees using a hallway as a bedroom, with only a door and curtain to provide the employee-tenant with privacy.



vi. Evergreen's Rental Housing at Darrin's

102. Evergreen's rental housing at Darrin's consisted of a house and garage. The house had serious problems with mildew and microbial growth.

103. Evergreen claims that it required its employee-tenants to vacate its rental housing at Darrin's around the end of September 2023. Evergreen stated that Hill plans to use the housing,

but only after it has been remodeled. It is apparent why Hill would require renovations before moving into the house, as it contained widespread microbial growth and mildew in multiple rooms and the bathroom:



104. Evergreen also rented the garage at Darrin's as housing to employee-tenants. The garage was separated into two rooms and did not have its own toilet or bathroom. The garage also was in disrepair and contained visible microbial growth and mildew:



B. Evergreen Routinely Violated Employee-Tenants' Right to Privacy.

105. Not only did Evergreen fail comply with its duty as a landlord to ensure its rental properties were sanitary, safe, and habitable for its employee-tenants, it also failed to respect the privacy rights of its employee-tenants.

106. Evergreen management, particularly Schaefer, routinely entered the housing it rented to employee-tenants without notice, and searched rooms, often in order to make sure that employee-tenants were not consuming alcohol. If Schaefer suspected that employee-tenants had been drinking, he often fired them on the spot.

107. Unannounced entries and inspections of the rental properties by Evergreen management was a frequent occurrence, that often took place at least once per month and sometimes even more frequently.

C. Evergreen Routinely Constructively Evicted Employee-Tenants Without the Notice Required by Law.

108. When Evergreen terminated the employment of an employee-tenant or they otherwise quit, Evergreen generally required the employee-tenant to vacate the housing they were renting with little or no notice.

109. Schaefer, Hill, and Evergreen enforced this ouster of employee-tenants through threats of violence and of calling the police, as well as fear and intimidation. For example, Employee H injured himself on the job and could not report to work. Subsequently, Schaefer came to his room and pounded on his door, yelling at the employee that he had to go to work. When Employee H told Schaefer that he could not because he was injured, Schaefer grabbed him by his neck, pushed him against the wall, and told him that if he didn't go to work, he had to leave Evergreen housing within 10 minutes.

110. As another example, Employee G was assaulted at his Evergreen housing by a coworker who was a family member of one of Evergreen's managers. Employee G called the Evergreen manager to report the assault. When the supervisor arrived, he ignored the assault, told the employee it would be futile to make a complaint, and called Schaefer. When Schaefer arrived, instead of disciplining the employees who had assaulted Employee G, Schaefer told Employee G that he was useless as worker, fired him, and told him that if he didn't leave within two hours, Schaefer would call the police.

111. Similarly, Employee C got chemicals in his eyes while working for Evergreen and was worried about permanent eye damage. Employee C went to a clinic to have it checked and missed a day of work in the process. When he returned, Evergreen fired him and demanded he move out of Evergreen housing by the next day.

V. EVERGREEN AND SHAEFER USE INTIMIDATION AND VIOLENCE TO PREVENT THEIR EMPLOYEES FROM REPORTING THEIR ILLEGAL TREATMENT TO AUTHORITIES

112. Evergreen also more generally cultivated a workplace culture of fear, violence, and intimidation. Employees experienced threats from Evergreen ownership and management related to their status as unauthorized workers in order to discourage them from complaining about both pay and housing issues. For example, after Schaefer physically threatened a coworker, Schaefer told Employee A that if he didn't like how employees were treated at Evergreen he could "go back to Mexico." Another worker complained to Schaefer about being forced to work despite suffering an arm injury. Schaefer responded that he would call the police if Employee A continued to complain about his injury and required him to continue working.

113. Similarly, Employee I threatened to get a lawyer because of Schaefer's workplace practices. Schaefer responded that if Employee I hired a lawyer, Schaefer would hire four lawyers and send his "ass back to Mexico." Schaefer then threatened to kill Employee I, and reminded Employee I of a dog Schaefer had recently killed.

114. The State brings this action against Evergreen, Schaefer, and Hill to enforce the law and to protect Evergreen's employees from these willful, pervasive, systemic, and unlawful acts and practices.

**COUNT I
FAILURE TO PAY WAGES (MINN. STAT. § 181.101)
(ALL DEFENDANTS)**

115. The State re-alleges all prior paragraphs of this Complaint.

116. The Minnesota Payment of Wages Act ("PWA"), Minn. Stat. § 181.101, requires employers to pay employees on a regularly scheduled payday, at least once every 31 days. Since 2019, Section 181.101 has provided "a substantive right for employees to the payment of wages,

including salary, earnings, and gratuities, as well as commissions, in addition to the right to be paid at certain times.” Minn. Stat. § 181.101(a).

117. The Attorney General has the authority to enforce Minn. Stat. § 181.101 pursuant to Minn. Stat. §§ 181.1721 and 8.31 and pursuant to his common law authority, including the *parens patriae* doctrine.

118. According to Evergreen’s paystubs, Evergreen employees were directly employed by either Evergreen Acres Dairy, LLC or Morgan Feedlots, Inc.

119. Multiple entities may constitute a “single enterprise” for the purposes of the PWA and be jointly liable for unpaid wages.

120. A commonly owned and managed dairy operation, such as Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc. and Evergreen Estates, LLC, is a single enterprise for the purposes of the PWA.

121. For purposes of the PWA, “employer” means “any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.” Minn. Stat. § 177.23, subd. 6.

122. Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc., and Evergreen Estates, LLC are commonly controlled by Keith Schaefer and Megan Hill. Each defendant is an employer for

the purposes of section 181.101 because Defendants constitute a “group of persons acting directly or indirectly in the interest of an employer in relation to an employee.”

123. Defendants routinely refused and failed to pay employees their first paycheck or final paycheck when employees quit or were discharged by Evergreen.

124. Additionally, Defendants systematically and willfully underreported employee hours on paystubs issued to employees to make it appear that employees worked fewer hours than they did in reality. This underreporting of hours resulted in Evergreen systematically underpaying its dairy employees each pay period.

125. Defendants’ conduct, practices, and actions described in this Complaint regarding failure to pay wages constitute multiple, separate violations of Minnesota Statutes section 181.101.

126. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 181.101.

COUNT II
OVERTIME (MINN. STAT. § 177.25)
(ALL DEFENDANTS)

127. The State re-alleges all prior paragraphs of this Complaint.

128. The Minnesota Fair Labor Standards Act (“MFLSA”), Minn. Stat. § 177.25, requires employers to pay employees overtime wages of at least 1.5 time their regular rate of pay after 48 hours of work during a workweek.

129. The Attorney General has the authority to enforce Minn. Stat. § 177.25 pursuant to Minn. Stat. §§ 177.45 and 8.31 and pursuant to his common law authority, including the *parens patriae* doctrine.

130. Multiple entities may constitute a “single enterprise” for the purposes of the MFLSA and be jointly liable for unpaid overtime wages.

131. A commonly owned and managed dairy operation, such as Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc. and Evergreen Estates, LLC, is a single enterprise for the purposes of the MFLSA.

132. Minnesota Statutes section 177.23 defines “employer” for the purposes of the MFLSA. “Employer” means “any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.” Minn. Stat. § 177.23, subd. 6.

133. Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc., and Evergreen Estates, LLC are commonly controlled by Keith Schaefer and Megan Hill. Each defendant is an employer for the purposes of section 177.25 because Defendants constitute a “group of persons acting directly or indirectly in the interest of an employer in relation to an employee.”

134. Defendants systematically and willfully underreported employee hours on paystubs issued to employees to make it appear that employees worked fewer hours than they did in reality. The underreporting of hours resulted in employees not receiving overtime premiums to which they were entitled by Minnesota law.

135. Defendants’ conduct, practices, and actions described in this Complaint regarding failure to pay overtime premiums constitute multiple, separate violations of Minnesota Statutes section 177.25.

136. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 177.25.

COUNT III
UNLAWFUL DEDUCTIONS (MINN. STAT. § 181.79)
(ALL DEFENDANTS)

137. The State re-alleges all prior paragraphs of this Complaint.

138. Minnesota Statutes section 181.79 prohibits employers from making “any deduction, directly or indirectly, from the wages due or earned by any employee . . . to recover any other claimed indebtedness running from employee to employer, unless the employee, after the loss has occurred or the claimed indebtedness has arisen, voluntarily authorizes the employer in writing to make the deduction.”

139. The Attorney General has the authority to enforce Minn. Stat. § 181.79 pursuant to Minn. Stat. §§ 181.1721 and 8.31 and pursuant to his common law authority, including the *parens patriae* doctrine.

140. Multiple entities may constitute a “single enterprise” for the purposes of section 181.79 and be jointly liable for unlawful deductions from wages.

141. A commonly owned and managed dairy operation, such as Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc. and Evergreen Estates, LLC, is a single enterprise for the purposes of section 181.79.

142. According to Evergreen’s paystubs, Evergreen employees were directly employed by either Evergreen Acres Dairy, LLC or Morgan Feedlots, Inc.

143. For purposes of section 181.79, “employer” means “any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or

indirectly in the interest of an employer in relation to an employee.” Minn. Stat. § 177.23, subd. 6.

144. Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc., and Evergreen Estates, LLC are commonly controlled by Keith Schaefer and Megan Hill. Each defendant is an employer for the purposes of section 181.79 because Defendants constitute a “group of persons acting directly or indirectly in the interest of an employer in relation to an employee.”

145. Defendants routinely made deductions from employee wages without first receiving voluntary, written authorization from employees to make the deductions.

146. Defendants’ conduct, practices, and actions described in this Complaint regarding deductions from employee wages constitute multiple, separate violations of Minnesota Statutes section 181.79.

147. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 181.79.

COUNT IV
FAILURE TO MAKE, KEEP, AND PRESERVE RECORDS
(MINN. STAT. §§ 177.30, 177.32, SUBD. 1(3))
(ALL DEFENDANTS)

148. The State re-alleges all prior paragraphs of this Complaint.

149. Minnesota Statutes, section 177.30 states that “every employer subject to sections 177.21 to 177.44 must make and keep a record of” numerous types of documents, including: (1) the name, address, and occupation of each employee; (2) the rate of pay, and the amount paid each pay period to each employee; (3) the hours worked each day and each workweek by the employee; (4) a list of the personnel policies provided to the employee, including the date the policies were given to the employee and a brief description of the policies; (5) a copy of the notice provided to each employee as required by section 181.032, paragraph (d), including any written changes to the

notice under section 181.032, paragraph (f); (6) prevailing wage records, if applicable; and (7) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to 177.435.

150. For the purposes of 177.30, “hours worked each day” includes “beginning and ending time of work each day, which shall include a.m. and p.m. designations, and such designations shall be included in the employer’s records.” Minn. R. 5200.0100.

151. For the purposes of 177.30, an “employee is paid a salary if the employee, through agreement with an employer, is guaranteed a predetermined wage for each workweek.” Minn. R. 5200.0211. Such an agreement *must* be accompanied by a written notice pursuant to Minn. Stat. § 181.032(f) *prior* to the change being put into effect.

152. Similarly, Minnesota Statutes section 177.32, subd. 1(3) prohibits employers from “repeatedly fail[ing] to make, keep, and preserve records as required by section 177.30.”

153. The Attorney General has the authority to enforce Minn. Stat. §§ 177.30 and 177.32, subd. 1(3) pursuant to Minn. Stat. §§ 177.45 and 8.31 and pursuant to his common law authority, including the *parens patriae* doctrine.

154. Multiple entities may constitute a “single enterprise” for the purposes of the MFLSA and be jointly liable for failure to keep records employers are required to keep by law.

155. A commonly owned and managed dairy operation, such as Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc. and Evergreen Estates, LLC, is a single enterprise for the purposes of the MFLSA.

156. Minnesota Statutes section 177.23 defines “employer” for the purposes of the MFLSA. “Employer” means “any individual, partnership, association, corporation, business trust,

or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.” Minn. Stat. § 177.23, subd. 6.

157. Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc., and Evergreen Estates, LLC are commonly controlled by Keith Schaefer and Megan Hill. Each defendant is an employer for the purposes of sections 177.30 and 177.32, subd. 1(3) because Defendants constitute a “group of persons acting directly or indirectly in the interest of an employer in relation to an employee.”

158. Defendants failed to make records of employee addresses and stated that their records related to which employees lived at which Evergreen employee housing was based on “memory.”

159. Defendants additionally failed to make a record of employee rate of pay. Specifically, beginning November 2022, Evergreen began paying employees on what it claimed to be a “salary.” However, according to Evergreen’s records, employee salaries changed by the week. Defendants also provided no evidence that any employee made any agreement with Defendants to be paid on a salary.

160. Defendants made records of employee time for each workday, as each employee clocked into and out of work via timecards. Defendants, however, did not keep and preserve those records. Instead, Defendants destroyed the timecards after it issued paystubs in each pay period. Defendants remaining records do not contain information sufficient to show the beginning and ending time of work each day, including a.m. and p.m. designations. Defendants, thus, have not kept and preserved records related to hours worked each day.

161. Defendants’ conduct, practices, and actions described in this Complaint regarding failure to make, keep, and preserve records constitute multiple, separate violations of Minnesota Statutes sections 177.30 and 177.32, subd. 1(3).

162. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of sections 177.30 and 177.32, subd. 1(3).

**COUNT VI
FALSIFYING RECORDS (MINN. STAT. § 177.32, SUBD. 1(4))
(ALL DEFENDANTS)**

163. The State re-alleges all prior paragraphs of this Complaint.

164. Minnesota Statutes section 177.32, subdivision 1(4) prohibits employers from “falsif[ying] any record.”

165. The Attorney General has the authority to enforce Minn. Stat. § 177.32, subd. 1(4) pursuant to Minn. Stat. §§ 177.45 and 8.31 and pursuant to his common law authority, including the *parens patriae* doctrine.

166. Multiple entities may constitute a “single enterprise” for the purposes of the MFLSA and be jointly liable for falsifying employment records.

167. A commonly owned and managed dairy operation, such as Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc. and Evergreen Estates, LLC, is a single enterprise for the purposes of the MFLSA.

168. Minnesota Statutes section 177.23 defines “employer” for the purposes of the MFLSA. “Employer” means “any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee.” Minn. Stat. § 177.23, subd. 6.

169. Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc., and Evergreen Estates, LLC are commonly controlled by Keith Schaefer and Megan Hill. Each defendant is an employer for

the purposes of section 177.32, subd. 1(4) because Defendants constitute a “group of persons acting directly or indirectly in the interest of an employer in relation to an employee.”

170. As discussed in Count II, Defendants routinely falsified the paystubs that it issued to its employees to make it look as though employees worked fewer hours than they actually worked.

171. Defendants’ conduct, practices, and actions described in this Complaint regarding failure to provide notice of employment constitute multiple, separate violations of Minnesota Statutes section 177.32, subd. 1(4).

172. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 177.32, subd. 1(4).

COUNT VII
FAILURE TO PROVIDE EMPLOYEE NOTICE (MINN. STAT. § 181.032(D))
(ALL DEFENDANTS)

173. The State re-alleges all prior paragraphs of this Complaint.

174. Minnesota Statutes section 181.032(d) requires Minnesota employers to provide employees a written notice containing certain information, including the rate of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method and the specific application of any additional rates.

175. Defendants admittedly do not provide employees with the written employee notice required by law.

176. Specifically, Defendants do not provide employees with a written document at the beginning of employment that summarizes: (1) the rate or rates of pay and basis thereof; (2) allowances, if any, claimed pursuant to permitted meals and lodging; (3) paid vacation, sick time, or other paid time-off accruals and terms of use; (4) the employee’s employment status and

whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis; (5) a list of deductions that may be made from the employee's pay; (6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned; (6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive first payment of wages earned; (7) the legal name of the employer and the operating name of the employer if different from the legal name; (8) the physical address of the employer's main office or principal place of business, and a mailing address if different; and (9) the telephone number of the employer.

177. The Attorney General has the authority to enforce Minn. Stat. § 181.032(d) pursuant to Minn. Stat. §§ 181.1721 and 8.31 and pursuant to his common law authority, including the *parens patriae* doctrine.

178. Multiple entities may constitute a "single enterprise" for the purposes of Minn. Stat. § 181.032(d) and be jointly liable for failing to provide the employee notice required by Minnesota law.

179. A commonly owned and managed dairy operation, such as Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc. and Evergreen Estates, LLC, is a single enterprise for the purposes of providing the employee notice required by Minnesota law.

180. For the purposes of Minn. Stat. § 181.032(d), "employer" means "any individual, partnership, association, corporation, business trust, or any person or group of persons acting directly or indirectly in the interest of an employer in relation to an employee." Minn. Stat. § 177.23, subd. 6.

181. Evergreen Acres Dairy, LLC, Morgan Feedlots, Inc., and Evergreen Estates, LLC are commonly controlled by Keith Schaefer and Megan Hill. Each defendant is an employer for

the purposes of section Minn. Stat. § 181.032(d) because Defendants constitute a “group of persons acting directly or indirectly in the interest of an employer in relation to an employee.”

182. Defendants’ conduct, practices, and actions described in this Complaint regarding failure to provide notice of employment constitute multiple, separate violations of Minnesota Statutes section 181.032(d).

183. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 181.032(d).

COUNT VIII
COVENANTS OF HABITABILITY (504B.161)
(ALL DEFENDANTS)

184. The State re-alleges all prior paragraphs of this Complaint.

185. Minnesota Statutes section 504B.161, subdivision 1(a), states:

In every lease or license of residential premises, the landlord or licensor covenants:

- (1) that the premises and all common areas are fit for the use intended by the parties;
- (2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; . . . and
- (3) to maintain the premises in compliance with the applicable health and safety laws of the state, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee.

186. A “landlord” means an owner of real property, a contract for deed vendee, receiver, executor, trustee, agent, or other person directly or indirectly in control of rental property. Minn. Stat. § 504B.001, subd. 7.

187. Defendants are “landlords” within the meaning of section 504B.001, subd. 7.

188. A “residential tenant” means a person who is occupying a dwelling in a residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services” Minn. Stat. § 504B.001, subd. 12.

189. A “residential building” means “a building used in whole or in part as a dwelling, including single-family homes, multiple-family units such as apartments, and structures containing both dwelling units and units used for nondwelling purposes, and includes a manufactured home park.” *Id.*, subd. 11.

190. The buildings Evergreen rented to their employee-tenants are “residential buildings” for the purpose of Chapter 504B.

191. Defendants’ employee-tenants are “residential tenants” for the purpose of Chapter 504B.

192. Evergreen’s conduct, practices, and actions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 504B.161, subdivision 1(a). Among other things, Defendants did not maintain the premises in a state fit for the use intended by the parties. Defendants did not keep the premises in reasonable repair during the term of the lease. Defendants further failed to maintain the premises in compliance with the applicable health and safety laws of the state and of the local units of government where the premises are located.

193. Defendants Keith Schaefer and Megan Hill are liable in their individual capacities as well as in their capacities as officers of Evergreen Estates, LLC, Evergreen Acres Dairy, LLC,

and Morgan Feedlots, inc., as a result of these and other actions they have taken constituting multiple separate violations of Minnesota Statutes section 504B.161.

194. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 504B.161.

COUNT IX
TENANT PRIVACY VIOLATIONS (MINN. STAT. § 504B.211)¹
(ALL DEFENDANTS)

195. The State re-alleges all prior paragraphs of this Complaint.

196. Minnesota Statutes section 504B.211, subdivision 2 states that “a landlord may enter the premises rented by a residential tenant only for a reasonable business purpose and after making a good faith effort to give the residential tenant reasonable notice under the circumstances of the intent to enter.” This right is not waivable. *Id.*

197. A “landlord” means an owner of real property, a contract for deed vendee, receiver, executor, trustee, agent, or other person directly or indirectly in control of rental property. Minn. Stat. § 504B.001, subd. 7.

198. Defendants are “landlords” within the meaning of section 504B.001, subd. 7.

199. A “residential tenant” means a person who is occupying a dwelling in a residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services” Minn. Stat. § 504B.001, subd. 12.

200. A “residential building” means “a building used in whole or in part as a dwelling, including single-family homes, multiple-family units such as apartments, and structures containing

¹ Minn. Stat. § 504B.211 was modified during the 2023 legislative session. The language quoted above was the operative statutory language during the relevant time.

both dwelling units and units used for nondwelling purposes, and includes a manufactured home park.” *Id.*, subd. 11.

201. The buildings Evergreen rented to their employee-tenants are “residential buildings” for the purpose of Chapter 504B.

202. Defendants’ employee-tenants are “residential tenants” for the purpose of Chapter 504B.

203. Defendants’ conduct, practices, and actions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 504B.211. Among other things, Defendants and their agents, including Keith Schaefer and Megan Hill, routinely entered employee-tenant housing without reasonable notice.

204. Defendants Keith Schaefer and Megan Hill are liable in their individual capacities as well as in their capacities as an officer of Evergreen Estates, LLC, Evergreen Acres Dairy, LLC, and Morgan Feedlots, Inc., as a result of these and other actions they have taken constituting multiple separate violations of Minnesota Statutes section 504B.211.

205. Defendants jointly participated in the wrongdoing at issue and are all jointly and severally liable for their multiple, separate violations of section 504B.211.

COUNT X
ILLEGAL OUSTER (MINN. STAT. § 504B.225)
(ALL DEFENDANTS, EXCEPT HILL)

206. The State re-alleges all prior paragraphs of this Complaint.

207. Minnesota Statutes section 504B.225 provides that it is intentional ouster for “a landlord, an agent, or a person acting under the landlord’s direction or control who unlawfully and intentionally removes a tenant from lands or tenements.”

208. A “landlord” means an owner of real property, a contract for deed vendee, receiver, executor, trustee, agent, or other person directly or indirectly in control of rental property. Minn. Stat. § 504B.001, subd. 7.

209. Defendants Schaefer, Evergreen Estates, LLC, Evergreen Acres Dairy, LLC, and Morgan Feedlots, Inc. are “landlords” within the meaning of section 504B.001, subd. 7.

210. A “residential tenant” means a person who is occupying a dwelling in a residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services” Minn. Stat. § 504B.001, subd. 12.

211. A “residential building” means “a building used in whole or in part as a dwelling, including single-family homes, multiple-family units such as apartments, and structures containing both dwelling units and units used for nondwelling purposes, and includes a manufactured home park.” *Id.*, subd. 11.

212. The buildings Evergreen rented to their employee-tenants are “residential buildings” for the purpose of Chapter 504B.

213. Defendants’ employee-tenants are “residential tenants” for the purpose of Chapter 504B.

214. Evergreen’s conduct, practices, and actions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 504B.225. Among other things, Evergreen demands that its employee-tenants vacate their housing with little or no notice upon their termination or otherwise leaving employment. Among other violations, Evergreen does not provide employee-tenants with written notice to vacate Evergreen employee housing.

215. Defendant Keith Shaefer is liable in his individual capacity as well as in his capacity as an officer of Evergreen Estates, LLC, Evergreen Acres Dairy, LLC, and Morgan Feedlots, Inc.,

as a result of these and other actions he has taken constituting multiple separate violations of Minnesota Statutes section 504B.135(a).

COUNT XI
FORCIBLE ENTRY AND UNLAWFUL DETAINER PROHIBITED (MINN. STAT. §
504B.281)
(ALL DEFENDANTS, EXCEPT HILL)

216. The State re-alleges all prior paragraphs of this Complaint.

217. Minnesota Statutes section 504B.281 states provides that “No person may occupy or take possession of real property except where occupancy or possession is allowed by law, and in such cases, the person may not enter by force, but only in a peaceable manner.”

218. A “landlord” means an owner of real property, a contract for deed vendee, receiver, executor, trustee, agent, or other person directly or indirectly in control of rental property. Minn. Stat. § 504B.001, subd. 7.

219. Defendants are “landlords” within the meaning of section 504B.001, subd. 7.

220. A “residential tenant” means a person who is occupying a dwelling in a residential building under a lease or contract, whether oral or written, that requires the payment of money or exchange of services” Minn. Stat. § 504B.001, subd. 12.

221. A “residential building” means “a building used in whole or in part as a dwelling, including single-family homes, multiple-family units such as apartments, and structures containing

both dwelling units and units used for nondwelling purposes, and includes a manufactured home park.” *Id.*, subd. 11.

222. The buildings Evergreen rented to their employee-tenants are “residential buildings” for the purpose of Chapter 504B.

223. Defendants’ employee-tenants are “residential tenants” for the purpose of Chapter 504B.

224. Evergreen’s conduct, practices, and actions described in this Complaint constitute multiple separate violations of Minnesota Statutes section 504B.281. Evergreen requires employee-tenants to vacate their housing with little or no notice upon their termination or otherwise quitting employment. Among other things, Evergreen routinely takes possession of its rental housing by force and coerces employee-tenants to leave Evergreen housing with little or notice upon termination through harassment, threats of violence, actual violence, and threats to call law enforcement against the employee-tenants.

225. Defendant Keith Shaefer is liable in his individual capacity as well as in his capacity as an officer of Evergreen Estates, LLC, Evergreen Acres Dairy, LLC, and Morgan Feedlots, Inc. , as a result of these and other actions he has taken constituting multiple separate violations of Minnesota Statutes section 504B.281.

RELIEF

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

1. Declaring that Defendants’ actions, as set forth in this Complaint, constitute multiple, separate violations of Minnesota Statutes sections 177.25, 177.30, 177.32, 181.032, 181.101, 181.79, 504B.161, 504B.211, 504B.225, and 504B.281;

2. 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 the practices described above that constitute violations of sections 177.25, 177.30, 177.32, 181.032, 181.101, 181.79, 504B.161, 504B.211, 504B.225, and 504B.281;
3. Awarding judgment against Defendants for restitution and/or disgorgement under the *parens patriae* doctrine, the general equitable powers of the Court, Minnesota Statutes section 8.31, and any other authority, for all persons injured by Defendants' unlawful acts as described in this Complaint, including but not limited to restitution and/or disgorgement for all unpaid wages, overtime premiums, and unlawful deductions;
4. Awarding judgment against Defendants in an additional, equal amount that Defendants owe pursuant to paragraph 3 as liquidated damages, pursuant to Minnesota Statutes section 177.27, subdivisions 7 and 8, and as otherwise provided by law;
5. Awarding judgment against Defendants for civil penalties of up to \$25,000, pursuant to Minnesota Statutes, section 8.31, subdivision 3, for each separate violation of 177.25, 177.30, 177.32, 181.032, 181.101, 181.79, 504B.161, 504B.211, 504B.225, and 504B.281;
6. Awarding the State its costs, including costs of investigation, and reasonable attorneys' fees, as authorized by Minnesota Statutes, section 8.31, subd. 3a; and

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

Dated: January 8, 2024

Respectfully submitted,

KEITH ELLISON
Attorney General

JESSICA WHITNEY
Deputy Attorney General
State of Minnesota

/s/ Jonathan D. Moler
JONATHAN D. MOLER (#0396621)
Assistant Attorney General

LINDSEY W. LEE (#0397739)
Assistant Attorney General

JASON PLEGGENKUHLE (#0391772)
Assistant Attorney General

445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130
(651) 724-9951
(651) 757-1147
jonathan.moler@ag.state.mn.us
lindsey.lee@ag.state.mn.us
jason.pleggenkuhle@ag.state.mn.us

Attorneys for Plaintiff, State of Minnesota

MINN. STAT. § 549.211

ACKNOWLEDGMENT

The party or parties on whose behalf the attached document is served acknowledge through their undersigned counsel that sanctions may be imposed pursuant to Minn. Stat. § 549.211.

Dated: January 8, 2024

/s/ Jonathan D. Moler

JONATHAN D. MOLER (#0396621)

Assistant Attorney General

445 Minnesota Street, Suite 1200

St. Paul, MN 55101-2130

(651) 724-9951

(651) 757-1021

(651) 757-1147

jonathan.moler@ag.state.mn.us

Attorneys for Plaintiff, State of Minnesota