

State of Minnesota
County of Ramsey

District Court
Second Judicial District

Marie Schrul and Curtis Mahanay,

Plaintiffs,

Case No.
Judge:
Case Type: Employment

v.

Complaint and Jury Trial Demand

St. Paul Public Schools, I.S.D. No.
625,

Defendant.

Introduction

1. The District has lost its way. Instead of putting students and community-member taxpayers first, it now exists to serve and protect adult administrators. For almost every decision related to the vast financial resources entrusted to it by taxpayers, District leaders prioritize adults over kids.
2. By virtually any metric, the District fails its students and their parents. And because the District's enrollment consists of [nearly 80% racial minority students](#) and 50% economically disadvantaged students, the District consistently fails the kids who need it most.

3. Marie Schrul and Curtis Mahanay spoke up for the kids. They advocated for the District to spend its resources for students, not adults, as required by state and federal law. And they objected when the District sought to spend its resources in violation of the law. Community members appreciated Schrul and Mahanay's courage when pushing back against the District's poor decision-making and when insisting on strict compliance with the law. But while their courage made them popular among parents, it made them pariahs among District leaders.
4. Schrul and Mahanay's whistleblowing came to a head when the District sought to close the budget deficit it created. The District's misguided and unsuccessful initiatives led many families to vote with their feet and leave the District – resulting in rapidly declining enrollment numbers. Because school budgets are tied to enrollment, the District's budget also rapidly declined, which naturally required the District to make tough decisions about its future spending.
5. Rather than face those decisions, Superintendent Joe Gothard and his allies chose to play a budgetary shell game. Every year (and more so during the pandemic era) the District receives government funds on the condition that

they must be used for specific purposes. Facing a budget shortfall, Superintendent Gothard chose to simply allocate those earmarked funds to the District's general operating budget – regardless of the government-mandated purposes for the funds.

6. Mahanay and Schrul understood that the District's shell game was illegal. They objected and made clear that the District's plans violated the law. As members of the District's finance team, they refused to be part of it and wouldn't allow the District to carry out its plans. Schrul and Mahanay took their objections to Superintendent Gothard and the School Board, which is ostensibly responsible for the prudent operations of the District.
7. Instead of taking their complaints seriously, the District fired Schrul and Mahanay for their whistleblowing. District leaders wanted people who would rubber-stamp their unlawful plan for managing the budgetary shortfall. But Schrul and Mahanay wouldn't yield. So the District terminated them. The District's Controller, Arleen Schilling, clearly stated the District's retaliatory motive for firing Schrul (and Mahanay): "[The reason Marie \[Schrul\] is gone is because she insisted on compliance.](#) She upheld the highest ethical standards."

8. Schrul and Mahanay now bring this action to hold the District accountable for its brazen violation of state law whistleblower protections.

Jurisdiction and Venue

9. The Court has subject matter jurisdiction over this action because Schrul and Mahanay base their claims on Minnesota law.

10. The Court has personal jurisdiction over the District because it is headquartered and does business in this judicial district.

11. This judicial district is the proper venue for this action because the events giving rise to this complaint occurred in this judicial district.

Parties

12. Plaintiff Marie Schrul resides in White Bear Lake. From 1998 through September 13, 2022, she worked for the District. She started as an accountant, rose to Controller, and then became the District's Chief Financial Officer. She was the District's "employee," as the term is defined at Minn. Stat. § 181.931.

13. Plaintiff Curtis Mahanay currently resides in Fort Worth, Texas. From 2016 through September 13, 2022, he worked for the District as its Business Systems Support Manager. Schrul recruited and hired Mahanay to develop

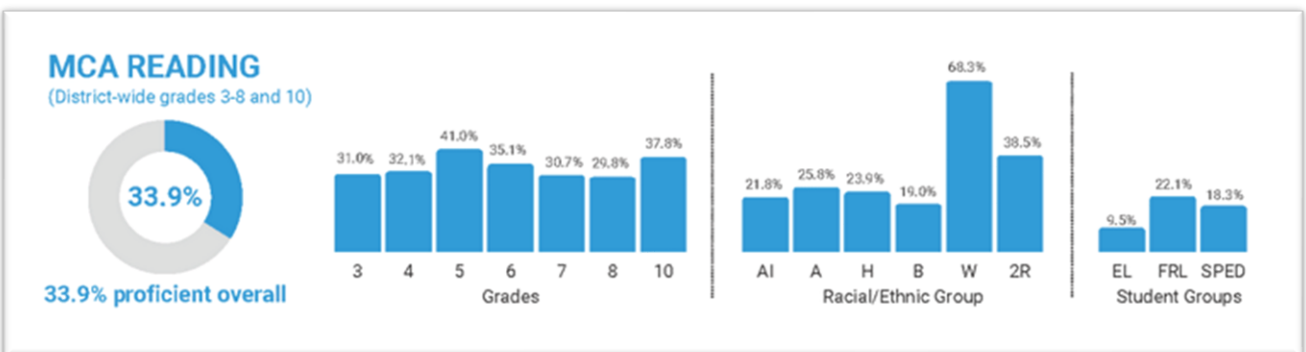
technical solutions to modernize the District’s financial record-keeping and analysis. Mahanay has an accounting background and 40 years of experience designing and implementing technology business solutions. He was the District’s “employee,” as the term is defined at Minn. Stat. § 181.931.

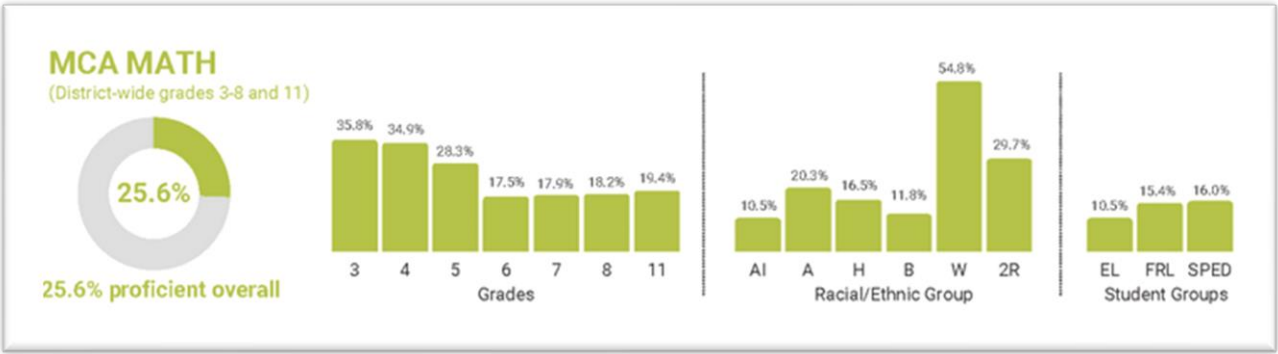
14. Defendant St. Paul Public Schools (the District) is an independent public school district in Minnesota. It was Schrul and Mahanay’s “employer,” as the term is defined at Minn. Stat. § 181.931.

Statement of facts

The District fails its core mission of educating children.

15. When it comes to teaching kids to read and perform simple math, the District’s performance is appalling. Only [35% of its students can read at grade level](#), and only [25% can do math at grade level](#).





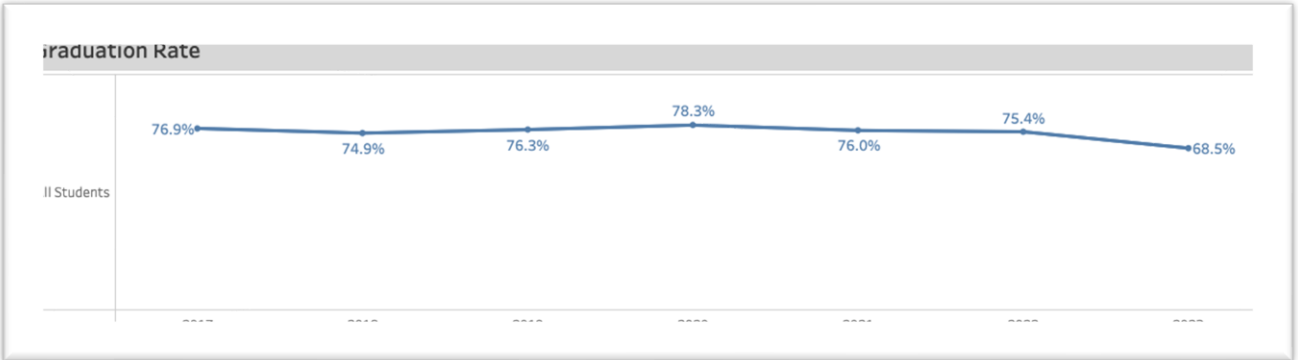
16. These figures reflect a steady drop in the District’s performance over the past decade.

Year	Percentage of District students proficient in reading	Percentage of District students proficient in math	Percentage of District students proficient in science
2016	39%	37%	32%
2017	37.8%	35%	31.7%
2018	38.4%	32.8%	29.8%
2019	39.5%	32%	29.1%
2021	33.3%	21.4%	23.7%
2022	34.8%	25.2%	25.1%
2023	33.9%	25.6%	23.9%

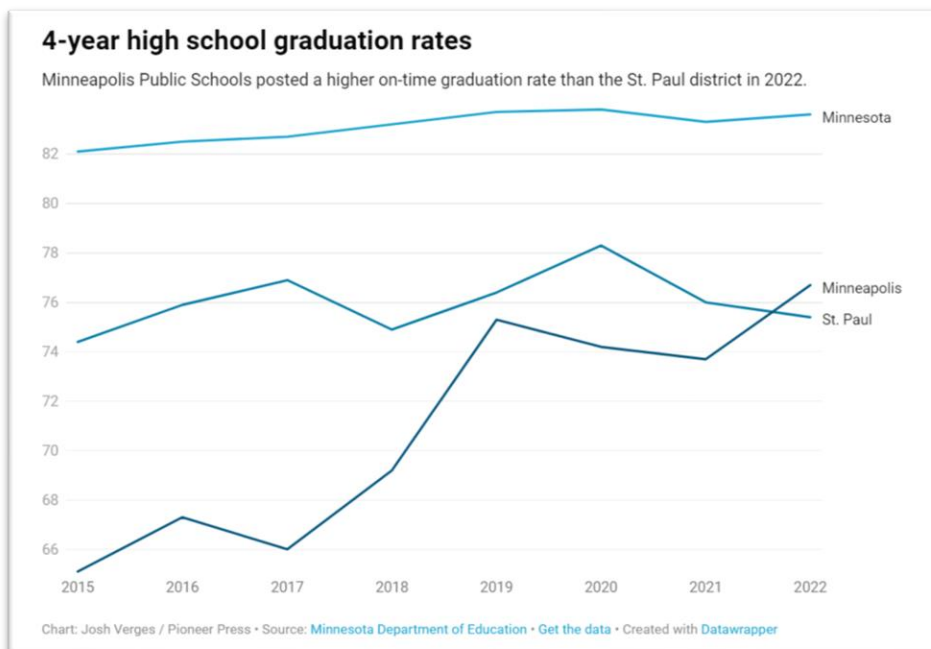
17. Despite the demonstrated failures to teach its students to read or perform math and science, the District regularly [graduates nearly 80% of its students](#).

This means the District routinely confers high-school diplomas to kids after failing to teach them how to read or perform simple math. In fact, the numbers make clear that the District gives *most* of its diplomas to kids who

– after 12 years of schooling in the District – can’t read, perform math, or understand science at grade level.



18. Despite its relaxed graduation standards, the District has seen its [four-year high-school graduation rate fall for consecutive years](#), while the other schools in Minnesota demonstrate improvement. Apparently oblivious to the concerning trends in the District, Superintendent Gothard proclaims satisfaction with the District’s direction: “I am heartened to see that some of the students that we have invested a lot of attention and resources in . . . are making great strides toward graduating in four years.”



The District fails to close racial achievement gaps.

19. Over the past decade, District leaders have promoted a caricatured view of “racial equity.” By its leaders’ admissions, the District’s version of racial equity “mostly” promotes the idea that “everything in life should be viewed through the prism of race and through privilege.”¹

Q. And it’s a departure from, from example, traditional antidiscrimination-based teaching, say, from Martin Luther King, who said that we should just try to live in a color-blind society, where people are judged by their character, not by the color of their skin. Right?

¹ See Exhibit A (Aug. 15, 2018 deposition of former District Superintendent Valeria Silva, from *Benner v. St. Paul Public Schools*, 17-cv-1568 (D. Minn.)) at 87:18-21, 95-6.

Superintendent Silva. Yes, sir.²

20. With the help of a high-priced outside consultant (Pacific Educational Group), the District introduced policies instructing teachers to – among other things – “[i]dentify, examine, and ‘de-center’ the role and presence of whiteness in their own lives and classrooms.”³ “Whiteness” is undefined.

21. Despite the District’s purported emphasis on race and racial equity, and its reliance on a high-priced consultant, the District has failed to make a dent in its racial achievement disparities.

22. Even as the District failed to remedy its racial disparities, it rewarded the architect of its racial equity agenda, Superintendent Valeria Silva, with a

² See *id.* at Silva Dep. at 87-8, 95-6. See also Abbot, D. et al., “In Defense of Merit in Science,” *Journal of Controversial Ideas*, April 28, 2023 (“Critical Theory and [Critical Social Justice] conflict with the liberal Enlightenment . . . [T]heir characteristic elements include anti-rationalism; anti-enlightenment; rejection of equal treatment, philosophical liberalism, and neutrality in law; standpoint epistemology and subjectivism as the basis of knowledge; and intersectionality.”).

³ See “Introduction to CARE Team Development” (document of policies created by Pacific Educational Group) (publicly filed at *Benner v. St. Paul Public Schools*, 17-cv-1568 (D. Minn.) Doc. 89-112); see also “Racial Equity Transformation in SPPS” (SPPS document implementing Pacific Educational Group’s CARE Team policies) (publicly filed at *Benner v. St. Paul Public Schools*, 17-cv-1568 (D. Minn.) Doc. 89-112).

[nearly \\$800,000 payout](#) when terminating her contract – further adding to the growing budget deficit.

The District's misguided priorities impact school safety

23. While the District spends money on outside consultants and golden parachutes for underachieving administrators, it lacks resources to ensure the basic safety of teachers and students.

24. For years, teachers have called on the District for help maintaining a conducive learning environment free from violence and disruption.⁴

It was chaotic on many days. There were a lot of interruptions throughout the school day. The environment in the classroom, there were a lot of interruptions. Going out into the hallways it felt fairly chaotic with students running around, students being chased, yelling, things like that. So it was a tough environment to be teaching in.⁵

25. Local media refers to the chaos in the District's schools as a "school safety emergency." Students regularly use cellphones and social media to coordinate fights. Students roam the halls causing trouble while rarely

⁴ See Ritten Dep. (Doc. No. 89-119) at 58-9; Benner Dep. (Doc. No. 89-1) at 223. See also Transcript of Deposition of Judy Kaufman (Doc. No. 89-9) at 58; Silva Dep. (Doc. No. 89-5) at 45-6.

⁵ Ritten Dep. (Doc. No. 89-119) at 58, 60 ("It made it extremely difficult for me to do my job as a teacher . . . as a teacher, when you're managing a classroom . . . if you say you're going to do something and say you're going to give a consequence, you must follow through").

attending class. Students carry weapons for self-defense, [fearful of being attacked by other students](#).

26. School resource officers previously had a presence in the District's schools to help maintain a safe learning environment. But, in 2020, [District leaders sever ties with the entire St. Paul Police Department](#).

27. Students, families, and teachers beg the District to do something, emphasizing that "[the danger inside their schools is real, and it's impacting their daily lives](#)."

28. But the District has remained indifferent.

29. "[Most employees](#) who work in the [D]istrict's high schools feel unsafe on the job."⁶

30. Schrul took the "school safety emergency" seriously. She reached out to Chief of Schools Andrew Collins in an effort to collaborate on a solution to the problem.

⁶ "Thirty-five percent of all district staff said they feel unsafe or very unsafe at work, but that number was 55 percent among high school staff . . . The survey also found 71 percent of all staff . . . had witnessed physical violence at school . . . 'Staff often felt helpless to prevent, improve, or resolve the situation'").

31. But thanks to the District's questionable spending priorities, Collins told Schrul that there weren't any resources available to improve safety: "I have \$0 extra money to allocate."

32. The District's "school safety emergency" culminated in the February 2023 stabbing death at school of a 15-year-old student.⁷

Parents remove their children from the District.

33. The District's dwindling performance and misplaced priorities has resulted in a snowball effect.

34. Reacting to the District's failures, families have fled the District – voting with their feet by enrolling their children in neighboring student districts. In 2021, the [District lost 2,204 students](#) – the steepest annual decline during a steady four-year slide. "The 6.3% drop translates to \$19.4 million in lost revenue, according to Marie Schrul, the District's Chief Financial Officer, who advised Board members . . . to move to stem the losses and corral costs . . . [T]he District cited student flight to charter schools and to other districts through open enrollment as major factors in its declines."

⁷ This followed the [January 2023 shooting of a teacher](#) who tried to break up a student fight.

35. Board Member John Brodrick [“said he also had heard from people who contend the district has come up short in delivering a well-rounded education, a safe and orderly environment, and high standards for student behavior.”](#)

36. In 2022, [“K-12 enrollment in St. Paul Public Schools appears to be down another 5 percent.”](#) Preliminary reports place District enrollment at just over 30,000 – down from 37,000 just a decade ago. “[F]amilies are increasingly choosing new and growing charter schools in the city, and smaller numbers have left for neighboring school districts through open enrollment, as well as homeschools and private schools.”

37. Because school funding largely depends on enrollment, the District’s loss of students exacerbates the District’s budgetary challenges. [“Each student accounts for about \\$10,000, which means even a small percentage drop can mean a major budgetary loss.”](#)

The District’s problems stem from a lack of leadership, not money.

38. The District’s problems (safety, performance, and resources) flow directly from choices made by its leadership.

39. Its problems certainly aren't the result of under-funding. The District receives significantly more money per pupil than most every other district in Minnesota. While the statewide average is approximately [\\$15,730 per pupil](#), the District receives [\\$20,192 per pupil](#).⁸

40. But the District is reckless in its spending priorities – choosing to reward administrators with bonuses, perks, and high-priced virtue-signaling initiatives, while neglecting its students who feel unsafe in school and remain unable to read or add at grade level.

41. Before leaving the District at the end of the 2023-24 school year, Superintendent Joe Gothard set the District's priorities. As a practical matter, the School Board operated as little more than a rubber-stamp for Gothard's policies.

⁸ St. Paul Public Schools also received the largest distribution of federal Emergency and Secondary School Emergency Relief Fund (ESSER) and American Rescue Plan (ARP) dollars in the State.

A culture of retaliation

42. The District routinely retaliates against employees who speak out against its unlawful practices – finding ways to end their employment or otherwise punish them.⁹

43. For example, when substitute teacher Candice Egan called the police to report a student who assaulted her, the District removed her from her position and instructed the substitute-teaching service not to place her again.¹⁰

44. When Educator Paddy Boyt reported sexual harassment by a colleague, the District reduced her employment to half-time. Then, when she reported additional sexual harassment by the same colleague, it involuntarily transferred her.¹¹

⁹ See e.g., *Henry v. St. Paul Public Schools*, 2023 WL 1807744, *2-4, 9-12 (Minn. Sup. Ct. Feb. 8, 2023); *Benner v. St. Paul Public Schools*, 380 F. Supp. 3d 869, 896-902 (D. Minn. May 6, 2019); *Benner*, 17-cv-1568 at Doc. Nos. 89-15, 89-16, 89-17, 89-18.

¹⁰ Egan Decl. (Doc. No. 89-18) at ¶¶ 2-5, 9-10.

¹¹ Boyt Decl. (Doc. No. 89-17) at ¶¶ 3-13, 19-5. See also Doc. No. 89-26.

45. When Special Education Teacher Peggy Ann Severs reported sexual harassment, sexual assault, and physical assault by some of her students, the District investigated her, put her on an involuntary leave, and fired her.¹²
46. When Educator Rachel White reported an assault by one of her students, the District “appl[ie]d] extra scrutiny to try to catch [her] doing something improper.” And the District attacked her reputation among third parties by claiming she “ha[s] problems working with black kids, implying that [she’s] racially insensitive (or worse).”¹³
47. When Teacher-of-the-Year award recipient Aaron Benner spoke out against racial discrimination inherent in the District’s racial equity agenda, the District took increasingly punitive measures to force him out of his job via constructive termination.¹⁴
48. When Special Education Teacher [Rachel Wannarka spoke out against the District’s neglect of special education students](#), the District forced her to resign.

¹² Doc. No. 89-16 at ¶¶ 1-15, 19-22. *See also* Ex. 5.

¹³ Doc. No. 89-15 at ¶ 7.

¹⁴ *See Benner*, 380 F. Supp. 3d at 896-902.

Schrul and Mahanay raise concerns about the District's unlawful spending practices.

49. Against a backdrop of the District's reckless spending, culture of retaliation, and failure to serve its students, Schrul and Mahanay worked to improve the District's operations.

50. During her tenure at the District, Schrul earned a reputation as a "[stickler for legal compliance](#)" and "[model of transparency, clarity, and thoughtfulness](#)" who stood in opposition to "Gothard and other administrators who . . . too often trade in 'partial truths.'" The District's Controller noted that "Schrul's straightforward manner and strict adherence to rules sometimes made life difficult for her boss [Superintendent Gothard] and others."

51. Schrul's transparency made her popular with certain allies in the District, but it made her incredibly *un*popular with Superintendent Gothard and his leadership team.

52. To make the best use of the District's funding opportunities, Schrul "assembled a team that was dedicated to sending every possible dollar to the schools." "[She put kids first](#)," the Controller noted.

53. Mahanay was a valuable member of Schrul's strategy team. Schrul recruited and hired him to develop and manage technology solutions to analyze District-wide data and assist with financial planning and reporting. Mahanay quickly distinguished himself.

54. Schrul and Mahanay insisted on following the law and focusing on the students over administrators. Their mission endlessly frustrated Superintendent Gothard and his leadership team.

Schrul and Mahanay blow the whistle on the District's years-long refusal to comply with state funding laws.

55. In May 2019, the St. Paul Pioneer Press broke the story that the District's Facilities Master Plan was running \$179 million over budget.

56. The District's Facilities Director, Tom Parent, was responsible for the eye-popping overruns. Per the Pioneer Press, Parent "[rejected advice from experts in his office as he developed a deeply flawed Facilities Master Plan, then presented a rosy picture to his supervisors as project costs soared.](#)"

57. By spending \$179 million over budget, the District violated state law.

58. The Facilities Master Plan was funded via bonds, long-term facilities maintenance funds, and Certificates of Participation (COP), which are similar to government-issued bonds.

59. By statute, the District cannot issue COPs without approval from the Minnesota Department of Education (MDE).¹⁵ If a school district requires funds in excess of the amount approved by the MDE, then it must obtain the MDE's approval to issue additional COPs for the excess amount.
60. The District (via Parent) chose not to obtain the MDE's approval for excess spending on the Facilities Master Plan – thereby violating the law.
61. Recognizing that the District violated the law, the MDE issued a written rebuke of the District's practices. Specifically, in late-2018, the District sought belated approval for cost overruns that it papered over by borrowing from other projects – instead of seeking the MDE's approval for the new spending.
62. The MDE condemned the District's actions. MDE Commissioner Brenda Cassellius expressed “strong[] disapprov[al] of the practice of shifting funds from approved projects to other projects.” And she cautioned the District against further violating: “This undermines the approval process and puts the district at risk of not being granted levy authority for the projects if the Department determines later that they don't meet statutory requirements.”

¹⁵ See generally Minn. Stat. §§ 126C.40; 126C.72.

63. Parent was unfazed by the MDE's slap on the wrist. He cavalierly explained that violating state law was nothing more than a (\$179 million) "learning curve."¹⁶

64. Even after his "learning curve," Parent continued to obfuscate about the true costs of the Facilities Master Plan. And he continued to spend money well beyond what the MDE approved – shifting money from other projects to do so.¹⁷

65. Mahanay flagged Parent's continued non-compliant spending and told Schrul what she (and the MDE) already knew: this was against the law.

66. Schrul and Mahanay blew the whistle. Schrul informed the School Board (while Superintendent Gothard was in attendance) that the Facilities Department continued to spend beyond State-approved limits. And she reported that Parent used funds designated for other purposes to cover his deficits, digging deeper holes in other funding sources. Schrul reminded the

¹⁶ Parent's supervisor, Chief Operating Officer, Jackie Turner, "has no construction background."

¹⁷ The District hired Jacobs Engineering to review and analyze how the Facilities plan ran close to \$200 million over budget. In 2019, Jacobs Engineering provided its analysis and recommendations. Parent did not abide by those recommendations.

District about the MDE's earlier warning – that state law required the District to get MDE approval (and School Board approval) *before* overspending an approved budget or issuing new COPs.

67. Mahanay reported the same to Board Members John Brodrick, Chauntyll Allen, and Uriah Ward.

68. On behalf of herself and Mahanay, Schrul also raised the issue directly with Parent. And she escalated the issue to Parent's boss, Chief of Operations Jackie Turner. But they did nothing to bring the Facilities Department into compliance.

69. So Schrul further escalated the issue to Superintendent Gothard, during their one-on-one meetings. But Gothard also refused to do anything to bring the Facilities Department into compliance.

70. So Schrul returned to the School Board, scheduling meetings with individual board members and continuing to voice her concerns at board meetings. Mahanay joined many of these meetings and voiced the same concerns to Board members.

71. Because nobody at the District did anything to stop the ongoing violation of law, Schrul stated and re-stated her concerns throughout 2020, 2021, and

2022: to comply with state law, the District needed to secure approval from the School Board and MDE *before* allocating new funds to a previously approved project; but the District wasn't doing so. "You can't exceed what we've financed for these projects and still remain in compliance with state law. You can't switch buckets of funding – they all have specific rules and regulations. And you can't borrow from the general fund."

72. Given the MDE's earlier admonishment, nobody in the District disagreed with Schrul on the merits. But the District nevertheless ignored her reports and continued violating the law.

73. Schrul's dogged whistleblowing about the District's refusals to comply with state law culminated in a final conversation with Gothard in July 2022. Schrul made a final plea for compliance: "In order to do long-term facilities maintenance funding, we need to ensure that MDE approves the bonds and certificates of participation. You're putting the District at risk with compliance because Ramsey is already under construction and over budget. We are not in compliance right now."

74. Schrul further advised that, by signing off on an upcoming 10-year Facilities Funding Plan, Gothard would certify that everything in the document

complied with state law – including items that the Facilities Department failed to properly budget, thereby requiring *more* unauthorized shifting of funds in violation of the law. Schrul recommended that Gothard and the District return to the MDE to obtain the necessary approvals, instead of continuing the unlawful course that Parent charted.

75. Gothard dismissed her pleas: “Marie, you guys [Schrul and Mahanay] are always looking for a gotcha.”

Schrul and Mahanay blow the whistle on Parent's gender discrimination.

76. In addition to mismanaging the Facilities Master Plan, Parent also mistreated several female colleagues and engaged in misogynistic behavior toward female managers.

77. Schrul and Controller Arleen Schilling filed a formal complaint regarding Parent’s misconduct, and the District’s EEO office investigated.

78. During an interview with the investigator, Mahanay described Parent’s abusive conduct toward female colleagues. He explained that Parent boxed out female employees (including Schrul) from the decision-making process, no matter their role or position. And he pointed out that the Board was aware of Parent’s behavior toward women, but chose to do nothing.

79. At the end of its investigation, the District refused to take any action against Parent. Instead, it chose [to pay settlements to some of the employees that Parent mistreated.](#)

Schrul blows the whistle on the District's violation of municipal contracting laws.

80. The District is subject to Minnesota's Uniform Municipal Contracting Law (UMCL).¹⁸ Its internal finance rules specifically incorporate the UMCL into its financial practices.

81. For purchases valued at less than \$175,000, the UMCL allows the District to spend money with only a District administrator's approval.

82. For purchases valued at greater than \$175,000, the UMCL requires Board approval and other accountability measures.

83. The UMCL protects local taxpayers against waste, fraud, and other abuses of taxpayer dollars.

84. At the same time that Parent violated state funding laws and state anti-discrimination laws, he also violated the UMCL.

¹⁸ See Minn. Stat. § 471.345.

85. To prevent public scrutiny of his continued mismanagement of the Facilities Master Plan, Parent reported purchases exceeding \$175,000 as several smaller purchases. His efforts sought to avoid the UMCL's requirement for Board approval.
86. Specifically, Parent broke large purchases into numerous smaller invoices, submitted them on different days, and sometimes refused to submit them at all. Parent's false reporting of large purchases allowed him to spend massive amounts of the District's money without any oversight.
87. Schrul blew the whistle on Parent's violation of the UMCL. She reported to Gothard, the Board, and the Senior Leadership Team that Parent's actions violated the law.
88. Incredibly, the District fully endorsed Parent's lawlessness and chastised Schrul for objecting. Specifically, Chief Operating Officer Turner told Schrul to resign if she disagreed with Parent's violation of the law: "Tom Parent is doing great work and the Superintendent supports him, so you must at the leadership level as well."
89. The District fired Schrul shortly thereafter.

Schrul and Mahanay blow the whistle on the District's planned violation of state budget reporting laws.

90. Minnesota law requires school districts to adopt an operating budget no later than June 30 every year.¹⁹ By law, school districts are prohibited from spending money until they adopt such a budget.

91. Minnesota law further requires school districts to limit expenditures to avoid “statutory operating debt” – defined as “the net negative unreserved general fund balance” calculated during the yearly budgeting process.²⁰

92. Schrul and Mahanay were aware of the state laws governing the budget process. They recognized that the District would have to get serious about its budget priorities (and make necessary spending cuts) before the statutory deadline, or else face the consequences – namely, appear in a report to the legislature and become subject to a remedial plan to work toward compliance.²¹

93. In spring 2022, on behalf of herself and Mahanay, Schrul met with Superintendent Gothard, his leadership team, and the Board to report the

¹⁹ See Minn. Stat. § 123B.77, subd. 4.

²⁰ See Minn. Stat. §§ 123B.83, 123B.81.

²¹ See Minn. Stat. § 123B.83, subd. 3-4.

\$43 million budget shortfall that resulted from declining enrollment. Schrul and Mahanay hoped that the staggering numbers would force the District to realize it would have to make tough decisions about future spending.

94. Superintendent Gothard refused to take the budget shortfall seriously.

95. Schrul asked Gothard for guidance about where to cut spending, but Gothard ignored her. Even when Schrul laid out the stakes for failing to adopt a compliant budget by June 30, Gothard continued to bury his head in the sand.

96. Schrul pressed him: “The District is not going to meet this deadline because leaders aren’t engaged in this process. Do you have ideas? We have a \$43 million shortfall. What ideas do you have?” Gothard answered with a non-answer: “A prayer.”

97. Without any support from District leadership, Schrul and Mahanay took on the Herculean task of looking for \$43 million in spending cuts. But their power was limited: spending cuts (especially on a \$43 million scale) are policy decisions and must be approved by policy-makers like Superintendent Gothard and the Board.²²

²² See generally Minn. Stat. §§ 123B.09, 123B.143.

98. On March 22, 2022, Mahanay objected to the District's avoidance of state budgeting laws. At a Budget Committee meeting, Mahanay lays out the problem: "*This all appears to be a shell game ...* But you are not cutting."

99. Schrul brought similar concerns to Superintendent Gothard and Chief of Staff Baker. She told them it was absolutely vital for Gothard's leadership team to address the pressing budget issues at its next meeting.

100. Recognizing the seriousness of the issue, Schrul followed up in an email. She reminded Gothard that state law required the District to adopt a balanced budget by June 30.

101. Gothard doubled down on his disinterest with the looming budget crisis, treating Schrul's well-founded concerns like a personal insult: "Don't ever send me crap emails like that. I'm directing you."

The District uses emergency COVID funds to maintain its budgetary shell game.

102. During COVID and its aftermath, the federal government provided relief funds to school districts across the country. The purpose of the funds was to help schools and students overcome the unprecedented challenges of a worldwide pandemic.

103. The District violated the spirit of its COVID funding by spending the government funds on employee bonuses and perks, and by otherwise funneling the money to its eye-popping budget shortfall.
104. For example, the District used COVID funds and federal Nutrition Service funds to pay employees to deliver school lunch to students while schools were closed during COVID lockdowns – consistent with the spirit of the funds. But the District *continued* to pay those employees for school-lunch delivery *even after* in-person learning resumed and no such deliveries occurred – a practice that *was not* consistent with the spirit of the funds.
105. And the District further misused COVID and Nutrition Service funds by purchasing gifts for certain employees – purchases that *are not* consistent with the spirit of the funds. The District concealed these purchases by submitting invoices falsely characterizing the gifts as cleaning/disinfectant – purchases that *are* consistent with the spirit of the funds.
106. Schrul was shocked by the District’s flagrant misuse of funds.
107. She and Controller Arleen Schilling reported the misuse of funds to the District’s General Counsel Chuck Long.

108. Schrul also raised the issue with Superintendent Gothard, advising that COVID funds could only be used for the purposes earmarked by the federal government.
109. Superintendent Gothard responded by suggesting that Schrul get creative with her accounting – to continue the questionable purchases while shifting them to the General Fund.
110. Minnesota law requires that expenditures from the General Fund must have a “public purpose.”
111. To ensure that she didn’t trade one problem for another, Schrul asked Gothard to provide documentation that there is a public purpose for buying gifts for employees and paying employees for work they no longer perform.
112. Gothard failed to provide any such documentation.
113. So Schrul asked him again, reiterating her concern that shifting the expenditures to the General Fund would violate state law regarding “public purpose.”
114. Gothard never responded.
115. On July 25, 2022, Schrul met with Michelle Hoffman, an external auditor from Clifton Larson Allen, to raise her concerns about the District’s

use of COVID and federal Nutrition Service funds. Schrul sought Hoffman's opinion because the District conspicuously failed to disclose the additional compliance report it solicited from its own forensic auditor regarding the COVID and Nutrition Service funds.

116. Beyond the questionable expenditures paying employees for delivering meals they no longer delivered, and buying gifts for employees, the District also used COVID funds in its ongoing shell game of papering over its budget deficits. Specifically, the District transferred massive amounts of general fund expenses to COVID funds—functionally adding the COVID funds to the District's bottom line, and making it incredibly difficult to track how the COVID funds are spent.

117. Schrul questioned the legality of wholesale transferring general expenses to the District's COVID fund, without ensuring the funds were spent on federally earmarked purposes. But Gothard's Chief of Staff, Cedrick Baker, made clear that the District was more worried about avoiding tough spending decisions than it was with following the law: "Marie, we have COVID funds that we need to spend in the next 2-3 years.

Superintendent Gothard doesn't want to cut staff. We aren't going to be able to make large cuts."

Schrul blows the whistle on the District's decision to "sell" unused vacation days to its administrators.

118. During COVID, while District employees worked from home and long-distance travel was largely shut down, members of Superintendent Gothard's leadership team accrued vacation days that they didn't use.

119. Several members of Gothard's leadership team devised a scheme to "sell" their unused vacation days back to the District – reaping a financial reward for not going on vacation during a pandemic.

120. Such "sales" are against the law. Minnesota law prohibits "paying retroactive bonuses or pay increases unless the bonus or pay increase was paid under a pre-existing agreement or pursuant to collective bargaining."²³ Because vacation days are *not* considered salary,²⁴ they can only be paid out as bonuses *if* permitted by pre-existing agreement.

²³ See "Minnesota Legal Compliance Audit Guide for School Districts," *Office of the State Auditor* at 65 (citing Attorney General Opinions), available at: <https://www.osa.state.mn.us/media/cvukvf1g/2022guideschooldistricts.pdf>.

²⁴ Op. Att. Gen. 161b-12 (Aug. 4, 1997) at 4, available at: <https://www.ag.state.mn.us/office/opinions/161b12-19970804.pdf>.

121. Because Gothard's leadership team concocted the plan to "sell" unused vacation days based on the circumstances of COVID (rather than based on a pre-existing agreement), any payment for unused vacation days would be an unlawful bonus.

122. Understanding that "selling" vacation days would be illegal, Schrul objected to the scheme.

123. After continued objections by Schrul, the leadership team relented, and created an ad-hoc agreement with the Board to sell vacation days.

Schrul blows the whistle on the District's expenditure of money to vendors without requiring performance or signed contracts.

124. The District set aside approximately \$7 million of its COVID funds to spend on "community partnership" proposals. It invited community vendors to submit proposals for projects, which the District would pay for using the funds.

125. Minnesota law imposes basic requirements on municipal payments to vendors. Among other requirements, a municipality must pay vendors "according to the terms of the contract," or at a defined date *after* the vendor

provides its goods or services.²⁵ In other words, state law requires a written contract *or* completed performance before a municipality can pay a vendor.

126. Federal law imposes its own basic requirements for spending federal funds (like the federal COVID funds). A non-federal entity spending federal funds must, at minimum, maintain and rely on “documented procurement procedures” consistent with all applicable federal, state, and local laws.²⁶ And federal law requires non-federal entities to provide minimal oversight of its vendors – via “terms, conditions, and specifications” recorded in a contract or purchase order.²⁷

127. These state and federal laws exist to prevent fraud.

128. Superintendent Gothard sought to violate the state and federal laws by distributing COVID funds to vendors without written contracts and without performance of the work. Gothard viewed the District’s distribution of federal funds as transactional politics, and he wanted to hand out money as quickly as possible – regardless of legal requirements.²⁸

²⁵ See Minn. Stat. § 471.425, subd. 2.

²⁶ See 2 C.F.R. § 200.318(a).

²⁷ See *id.* §200.318(b).

²⁸ In fact, people familiar with the District’s process say that Gothard promised money to certain politically connected vendors with no strings attached – that is,

129. Schrul objected to the District's refusal to comply with the minimal requirements imposed by law. She reminded Chief of Operations Turner about the obvious fact that contracts and/or actual performance are necessary before the District can pay vendors. Schrul made clear that these basic prerequisites weren't especially burdensome and were required by state and federal law. But Turner wasn't interested in legal compliance, responding: "We need to pay people fast."

130. Schrul repeated her objections to Jackie Turner and Superintendent Gothard: "No, you cannot pay them up front. These are federal dollars, and there are very specific requirements and processes. I'm willing to help you set up a process that will expedite things, but we have to follow the rules. This is too much of a risk for the District."

131. The District overruled Schrul and spent the COVID funds without meeting the minimal requirements of state and federal law.

without requiring project proposals. To state the obvious, the federal funds didn't belong to Gothard to spend on his own political ambitions – the money belonged to taxpayers.

Schrul and Mahanay blow the whistle on the District's misuse of Title I funds to close its budget gap.

132. Title I is a federally funded program that supports schools whose students perform below grade level in reading or math. Title I funds generally don't apply District-wide, but instead apply on a school-by-school basis.

133. As the District stared down its eye-popping budget shortfall, Superintendent Gothard and other District leaders sought to incorporate Title I dollars into its high-stakes shell game.

134. In spring 2022, Gothard's leadership team proposed using Title I funds to pay District-wide expenses – instead of using the General Fund. For example, they proposed using Title I funds to pay for new teachers at schools that were *not* eligible for Title I.

135. Schrul and Mahanay recognized that the plan was obviously unlawful.

136. Schrul and Mahanay objected and pointed out the obvious: without specified parameters for a District-wide plan governed by federal regulations, Title I dollars must be spent in Title I schools. The District had no such plan.

137. Gothard and his team expressed their frustration with Schrul (and the District's Title I Director Sherry Carlstrom, who also objected) for opposing the unlawful plan.

Schrul blows the whistle on the District's expenditure of public funds for an invite-only social function.

138. In advance of the 2022-2023 school year, Superintendent Gothard planned a party for District leaders. He invited 300 District leaders to attend, play games, and dine on complimentary food from local food trucks. The food trucks alone had a price tag of \$10,000 in public funds.

139. The party was an invite-only event limited to certain District employees. It was not open to students, families, or other members of the public.

140. The stated and actual purpose of the party was "festivities, music, games, fun and camaraderie" and "hav[ing] a good time." And Gothard's invitation specifically instructed attendees to not bring their laptops.

141. Minnesota law requires that public funds must serve a "public purpose." To serve a public purpose, an expenditure must: **(1)** serve the community as a whole; **(2)** directly relate to a government function; and

(3) *not* have a private purpose as its primary objective.²⁹ The Office of the State Auditor (citing the opinion of the Attorney General) recognizes that there is “no authority” for a municipality use public funds for “picnics or holiday parties for employees.”³⁰

142. Schrul objected to the District’s use of public funds for an invite-only social event for employees. Schrul informed Gothard and his leadership team that public funds were unavailable unless the party had some benefit to the public and that, as a matter of law, there was no “public purpose” to an employee-only social function.

143. Schrul didn’t object to the party in a general sense, but she made clear that the District couldn’t lawfully pay for the party using public funds. She further emailed that, if the District proceeded anyway, it would need a work-related agenda.

144. The District ignored Schrul and proceeded to use public funds to pay for the party.

²⁹ *Visina v. Freeman*, 89 N.W.2d 635, 643 (Minn. 1958).

³⁰ See “Asst. Legal Counsel Bode Ltr. to City of Dayton,” *Office of the State Auditor* (May 31, 2011), available at: <https://www.auditor.state.mn.us/media/ddyplqup/daytonletter.pdf>.

145. The District fired Schrul shortly thereafter.

The District retaliates.

146. Fed up with Schrul's dogged commitment to keeping the District in compliance with the law, Gothard retaliated against her.

147. Historically, the superintendent (Gothard) and the CFO (Schrul) meet on a weekly basis to discuss the District's finances. But, from 2020 through 2022 (as Schrul increasingly opposed Gothard's lawlessness), Gothard canceled more and more meetings – to the point where they rarely met at all.

148. In the days, weeks, and months following Schrul and Mahanay's objections to the District's unlawful expenditures and budgeting tactics, the District stepped up its retaliation.

149. On August 24, 2022, unbeknownst to Schrul, the District created a job posting seeking applicants for Schrul's position. The District renamed the position from Chief Financial Officer to "Executive Chief of Financial Services" – but the job duties were identical to Schrul's duties.

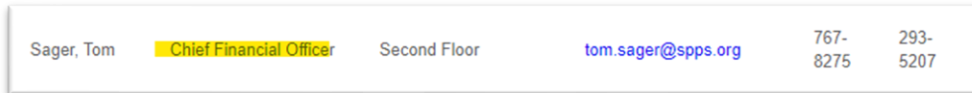
150. On August 25, Superintendent Gothard told Schrul that her job was eliminated. Gothard invited Schrul to apply for the renamed position that was posted the day before.
151. So Schrul applied for the renamed position.
152. Superintendent Gothard closed the job posting on August 28 – four days after posting the position, and three days after laying off Schrul. Gothard closed the job posting after receiving an application from just one other candidate.
153. In other words, Gothard laid off Schrul and recruited just *one* other candidate for the highest-ranking financial position within the District (a municipal entity with a \$900 million budget) – a position that Schrul had capably filled for 24 years.
154. On September 12, Gothard notified Schrul that he and his interview committee (consisting of 1 other person) selected the other candidate to fill the position. As a result, Gothard informed Schrul that her CFO position was eliminated and she was fired. Gothard emphasized that his decision wasn't based on Schrul's performance.
155. Schrul was devastated.

156. On September 13, Schrul reported to the District to attend a formal termination meeting with Gothard, Human Resources, the Assistant Director of Labor Relations, and Schrul's union representative.
157. During the meeting, Gothard gave away the game. While claiming that the District "laid off" Schrul because it "eliminated" the CFO position, Gothard told Schrul that he would announce the new "Executive CFO" the following day.
158. Schrul questioned Gothard about the Freudian slip: "You mean the Executive Chief of Financial Services, right?" Gothard responded by correcting his slip-up – referring to the CFO position as the "Executive Chief of Financial Services."
159. Schrul's union representative asked Gothard about the duties of the "Executive Chief of Financial Services" position. Gothard explained that the position was a member of the Superintendency, would report to the Superintendent, and would assist in overall strategic development (specializing in matters of finance).
160. The duties that Gothard identified were identical to the duties Schrul fulfilled as CFO.

161. Tom Sager was the candidate that the District hired to replace Schrul. Despite Gothard’s attempts to portray the position as a “new” role distinct from CFO, the District publicly identifies Sager as its CFO:



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162. And Sager’s job duties and responsibilities are identical to Schrul’s duties and responsibilities as CFO.³³

³¹ ISD No. 625, Board of Education Committee Meeting, April 11, 2023 (Ex. P-32) at 64.

³² “Contact Us/Who to Contact,” <https://www.spps.org/Domain/2974>, (Ex. P-33) last checked on July 13, 2023.

³³ Compare Sager job responsibilities Ex. P-30 with Schrul responsibilities Ex. P-31.

163. On September 13, 2022, the same day as Schrul's termination meeting, the District also "laid off" Mahanay – telling him that his position was eliminated. Chief of Operations Turner ordered him to leave the building.
164. Superintendent Gothard ordered employees to immediately cease contact with Schrul and Mahanay – even if questions arose during the transfer of Schrul and Mahanay's duties to other employees.
165. The District did not truly reduce its workforce or "lay off" Schrul and Mahanay. It fired them because they wanted the District to comply with the law.
166. The District never identified any performance issues with Schrul or Mahanay. In fact, it disclaimed any performance issues when informing them that it "eliminated" their positions.
167. Community leaders were shocked to learn that the District fired Schrul – questioning the District's motives in firing a "well-respected longtime employee" after she reported the District's "potential violations of state and federal regulations":

Delivered by paper copy at the Saint Paul Public Schools Board of Education meeting on Tuesday, September 20th 2022 and via electronic delivery to:

*jim.vue@spps.org, jessica.kopp@spps.org, chauntyll.allen@spps.org,
zuki.ellis@spps.org, uriah.ward@spps.org, halla.henderson@spps.org,
jeanelle.foster@spps.org*

Chair Jim Vue, Vice Chair Jessica Kopp, and Directors of the Saint Paul Public Schools (SPPS) Board of Education,

We, the undersigned community members, staff members, students, taxpayers, and concerned citizens write to you with grave concern regarding the current state of affairs of Saint Paul Public Schools. The news regarding the elimination of the district's Chief of Finance and Business Affairs that broke last week in the Pioneer Press and Star Tribune has injected a number of serious questions and concerns into the public dialogue. Moreover, and relevant, we were disappointed to learn that the district's K-12 enrollment declined even more than projected. We believe these issues need to be addressed head on by our publicly elected school board members.

Last week's news that our current district Chief of Finance and Business Affairs position had been reclassified and eliminated and that the person currently in that role, a well-respected longtime employee of the district, had not been given the new position of Executive Chief of Financial Services came as a surprise. Reports of potential violations of state and federal regulations, questions surrounding ongoing issues with the hundreds of millions of dollars the district is spending on facilities upgrade projects, concerns surrounding compliance being disregarded, and more have been introduced to the broader public by way of this personnel restructuring.

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³⁴ Ex. P-34.

The District views Sager as a “team player” who will condone its lawlessness.

168. By objective measures, Sager’s qualifications don’t match Schrul’s.

Where Schrul had spent two decades capably performing the CFO role for the District, Sager was as business services director (a lower-ranking position) for Mankato Area Public Schools – a district about ¼ the size of the District.

169. But Superintendent Gothard and the District viewed Sager’s lesser experience as a feature, not a bug. The District wanted to close an eye-popping budget deficit while maintaining its wasteful expenditures. But whenever it identified convenient (but unlawful) ways to paper over its losses via a high stakes shell game, Schrul stood in their way.

170. Superintendent Gothard hoped Sager would put up less of a fight, allowing the District to use increasingly unlawful means to maintain its wasteful spending. In short, the District expected Sager to be the “team player” that Schrul wasn’t.

171. The District’s wish apparently came true. Since firing Schrul and Mahanay, the District (under Sager’s financial leadership), for 2 years in a row:

- a. Missed its Uniform Financial Accounting and Reporting Standards (UFARS) reporting deadline to the Minnesota Department of Education;
- b. [Failed to meet](#) its statutorily-mandated reporting deadlines for Revenue and Expenditures;³⁵
- c. Failed to meet its statutorily-mandated deadline for submitting audited financial reports to MDE and the State Auditor³⁶
- d. Failed to engage the Board and community on the District's FY 2024 budget;³⁷
- e. Failed to prepare a fiscal forecast; and
- f. Lost the MDE School Finance Award for financial reporting, which it held every year during Schrul's tenure.
- g. And has yet to present a 2023 financial audit to the Board of Education (districts across the state are currently working on their 2024 financial audits).

³⁵ See Minn. Stat. 123B.10.

³⁶ See Minn. Stat. 123B.77.

³⁷ At the June 20, 2023 Board meeting, Board members noted that they received budgetary information late, and moreover, did not receive the reports and information they need to make decisions.

Count 1
Minnesota Whistleblower Act
Minn. Stat. § 181.932

172. Under the MWA, “[a]n employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee” because the employee, “or a person acting on behalf of an employee,” “in good faith, reports a violation, suspected violation, or planned violation of any federal or state law ... to an employer.” Minn. Stat. § 181.932, subd. 1(1).

173. The MWA further provides that “[a]n employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee” because “the employee refuses an employer’s order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law ... and the employee informs the employer that the order is being refused for that reason.” Minn. Stat. § 181.932, subd. 1(3).

174. Among other instances, Schrul and Mahanay engaged in protected activity when they:

- a. Reported directly to Facilities Director Tom Parent, and to the Board and Superintendent Gothard, that Parent obligated the District to issue excess COPs and/or spent beyond its state-approved project

budget without seeking approval from the MDE for the increased expenditures – as required by state law. (Schrul and Mahanay)

- b. Filed a formal complaint and participated in the investigation regarding Facilities Director Parent’s gender discrimination and harassment. (Schrul and Mahanay)
- c. Reported to Gothard, the Board, and the leadership team that Facilities Director Parent unlawfully structured large purchases exceeding \$175,000 into smaller purchases to willfully violate state law (and District rules adopted pursuant to those state law) governing municipal spending. (Schrul)
- d. Reported to Superintendent Gothard that his planned refusal to submit a compliant budget (i.e. a budget without “statutory operating debt”) within the statutory deadlines violated state law. (Schrul and Mahanay)
- e. Reported to Superintendent Gothard and the Board that the leadership team’s scheme to “sell” unused vacation days was unlawful because it wasn’t authorized by a pre-existing contract. (Schrul)

- f. Reported to Superintendent Gothard and Chief of Operations Turner that their plan to pay vendors without signed contracts or completed performance violated state and federal law. (Schrul)
 - g. Reported to Superintendent Gothard and the leadership team that their plan to use Title I dollars to fund non-Title I schools violated federal law. (Schrul and Mahanay)
 - h. Reported to Gothard and Chief of Schools Collins that using public funds for an invite-only social function violated state law by using public funds for a non-public purpose. (Schrul)
175. Plaintiffs' reports of illegality weren't knowingly false and weren't made with reckless disregard for the truth. In fact, the reports were true, and the District didn't offer any substantive disagreement with any of them. As such, Schrul and Mahanay reported the violations of law in good faith.
176. Schrul suffered adverse employment actions when:
- a. Superintendent Gothard cancelled their one-on-one meetings.
 - b. The District terminated her employment.
 - c. The District refused to hire her when she applied to the re-posted version of her job – choosing instead to hire a less-qualified candidate.

177. Schrul's protected activity caused the District's adverse employment actions. *First*, Superintendent Gothard made clear that he did not approve of Schrul's protected activity, accusing her of not being a "team player" and "always looking for a gotcha' moment." These statements of Gothard's animus create a direct link between Schrul's protected activity and the District's retaliation.³⁸ *Second*, the District has a habit, practice, and culture of retaliating against employees who object to violations of the law.³⁹ *Third*, the District has never explained (and cannot explain) its abrupt decision to fire Schrul – where it admits she was an excellent performer, and where it prevented her from participating in the transition of her job duties. *Fourth*, the District dissembled and sought to cover up its retaliation by claiming it "laid off" Schrul and eliminated her position as part of a reorganization. But, the District's own documents reveal the falsity of its cover-up, where

³⁸ *Griffith v. City of Des Moines*, 387 F.3d 733, 735-6 (8th Cir. 2004). See also *Darke v. Lurie Besikof Lapidus & Co.*, 550 F. Supp.2d 1032, 1040-1 (D. Minn., Feb. 7, 2008) ("Direct evidence is not the opposite of circumstantial evidence; it is, instead, very strong circumstantial evidence").

³⁹ See *Hawkins v. Hennepin Tech. Ctr.*, 900 F.2d 153, 156 (8th Cir. 1990); *Estes v. Dick Smith Ford, Inc.*, 856 F.2d 1097, 1103-4 (8th Cir. 1988).

Schrul's replacement has the same title and responsibilities as Schrul,⁴⁰ and where Schrul was the only leadership member affected by the supposed "restructuring." *Fifth*, Schrul is plainly more qualified than her replacement.

178. Mahanay suffered an adverse employment action when the District fired him.

179. Mahanay's protected activity caused the adverse employment actions. *First*, Superintendent Gothard made clear that he did not approve of Mahanay's reports of unlawful conduct, accusing both Schrul and Mahanay of "always looking for a gotcha' moment" – creating a direct link between Mahanay's protected activity and his termination. *Second*, the District has a habit, practice, and culture of retaliating against employees who object to violations of the law. *Third*, the District has never explained (and cannot explain) its abrupt decision to fire Mahanay – where it registered no objection with his performance and prevented him from participating in the transition of his job duties. *Fourth*, the District fired

⁴⁰ See *Reeves v. Sanderson Plumbing Prods., Inc.*, 530 U.S. 133, 147 (2000) ("[I]t is permissible for the trier of fact to infer the ultimate fact of [retaliation] from the falsity of the employer's explanation").

Mahanay on the same day that it fired Schrul – treating both of them as a single whistleblowing unit.⁴¹ *Fifth*, the District disassembled and sought to cover up its retaliation by claiming it “laid off” Mahanay and eliminated his position as part of a reorganization. But the District’s actions reveal the falsity of its cover-up, where Schrul and Mahanay were the only casualties of the supposed “restructuring.” And *sixth*, the District hired another person for Mahanay’s exact position, making clear that he wasn’t “laid off.”⁴²

180. The District is liable to Schrul and Mahanay for damages they suffered as a result of its unlawful conduct, including back pay, front pay, special damages, emotional distress, attorney fees, costs, and statutory interest. In accord with Minnesota law, Schrul and Mahanay will subsequently move to amend this Complaint to add a count for punitive damages.⁴³

⁴¹ See *Strate v. Midwest Bankcentre, Inc.*, 398 F.3d 1011, 1020 (8th Cir. 2005), citing *Bassett*, 211 F.3d at 1105-6; *Miller v. Board of Regents*, 2018 WL 659851, *4 (D. Minn., Feb. 1, 2018)

⁴² In violation of the applicable collective bargaining agreement, the District did not offer the position to Mahanay prior to hiring someone else.

⁴³ See *Benner v. St. Paul Public Schools*, 407 F. Supp. 3d 819, 827-31 (D. Minn. Aug. 20, 2019).

Prayer for Relief

Wherefore, Schrul and Mahanay request that the Court enter judgment in their favor and against The District, as follows:

- An order granting Schrul and Mahanay judgment against The District for the conduct described herein;
- An order granting Schrul and Mahanay compensatory damages, including emotional distress damages, in such amount as the jury may determine;
- An order granting Schrul and Mahanay reinstatement to their previous positions or front pay in lieu of reinstatement;
- An order granting Schrul and Mahanay injunctive and declaratory relief against The District, whereby The District is temporarily and permanently enjoined and restrained from any further retaliation against Schrul and Mahanay or similarly situated persons; and ordered to institute supervisory measures to prevent further unlawful conduct;
- An order for The District to pay Schrul's and Mahanay's costs and attorney fees, as provided under the MWA; and
- An order for The District to pay statutory interest;
- A civil penalty of \$10,000 against The District;
- An order awarding any and all further relief that the Court deems equitable and just.

Schrul and Mahanay demand a jury trial.

Dated: October 9, 2024

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STATUTORY ACKNOWLEDGMENT

The undersigned hereby acknowledges that, pursuant to Minn. Stat. § 549.211, sanctions may be awarded to the parties against whom the allegations in the pleadings are asserted.

J. Ashwin Madia