

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF OLMSTED

THIRD JUDICIAL DISTRICT

Case Type: Contract

Independent School District No. 535,
Rochester Public Schools,

Court File No _____

Plaintiff,

v.

SUMMONS

Cornerstone Technologies, LLC
d/b/a Cornerstone Technologies,

Defendant.

THIS SUMMONS IS DIRECTED TO: Cornerstone Technologies, LLC, 1000 Winding Brook Way, Fairburn, GA 30213.

1. YOU ARE BEING SUED. The Plaintiff has started a lawsuit against you. The Plaintiff's Complaint against you is attached to this Summons. Do not throw these papers away. They are official papers that affect your rights. You must respond to this lawsuit even though it may not yet be filed with the Court and there may be no court file number on this Summons.

2. YOU MUST REPLY WITHIN 21 DAYS TO PROTECT YOUR RIGHTS. You must give or mail to the person who signed this Summons a **written response** called an Answer within 21 days of the date on which you received this Summons. You must send a copy of your Answer to the person who signed this summons located at:

Squires, Waldspurger & Mace, P.A.
333 South Seventh Street, Suite 2800
Minneapolis, MN 55402

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 so in your Answer.

4. YOU WILL LOSE YOUR CASE IF YOU DO NOT SEND A WRITTEN RESPONSE TO THE COMPLAINT TO THE PERSON WHO SIGNED THIS SUMMONS. If you do not Answer within 21 days, you will lose this case. You will not get to tell your side of the story, and the Court may decide against you and award the Plaintiff everything asked for in the Complaint. If you do not want to contest the claims stated in the Complaint, you do not need to respond. A default judgment can then be entered

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JURISDICTION AND VENUE

3. Jurisdiction is proper because Defendant consented to Minnesota as the exclusive jurisdiction governing any and all disputes arising from the Payment Plan

Agreement executed by the Parties on March 29, 2022, which is attached hereto as Exhibit

A. Jurisdiction is otherwise proper because Defendant conducts business in the State of

Minnesota and because a substantial part of the events or omissions giving rise to this cause

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include a purchase price for the lump sum of all devices the District is selling.

9. The District’s request for bids included a requirement that all bids must include a “guarantee price now for buyback later.”

10. Defendant Cornerstone Technologies, LLC, by and through its Chief Executive Officer, Bruce Manssuer (“Manssuer”), submitted two bids for the purchase of the District iPads—an original bid and an alternative bid.

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17. The District fully expected the Defendant to perform its promise to pay the contract price in exchange for the District’s iPads.

Defendant Receives the District’s iPads and Fails to Make Payment

18. During the months of May, June, and July 2020, Defendant, by and through its employees and/or agents, picked up many of the District iPads.

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27. Sorenson reached out again on March 15, 2021, and Manssuer responded two days later by stating:

Good morning Tanner. I apologize for the delay in getting back with you. I will meet with my Technicians that handled this project and get back to you

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payment in the amount of \$371,765, which was the full contract price.

33. Subsequently, the District began communicating with a debt servicing representative from Goldman & Wise¹ named Bill Hopson, who began facilitating payments from Defendant to the District.

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liability, including liability for the full original contract price of \$371,765.

¹ Goldman & Wise is a business debt management corporation located in Duluth, Georgia that began working with Bruce Manssuer to manage Defendant Cornerstone Technologies' debt to the District.

40. However, Paragraph 3 of the Agreement provided the following clause for missed payment and breach:

Missed Payment. If Cornerstone fails to make payment by any of the dates outlined in Paragraph 2 of this Agreement, this will constitute a material



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46. Paragraph 7 of the Agreement provided the following language with respect to costs and fees:

Responsibility for Costs. Each party is responsible for its own costs, expenses, and any attorney fees associated with this Agreement, except that

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\$7,500 on February 2, 2023 and \$5,000 on April 5, 2023, both of which were less than the amount required under the Agreement.

54. Following the April 5, 2023 partial payment, Defendant has since failed to make any payments to the District whatsoever.

55. If Defendant would have made payments as described in the Agreement, its obligation to pay to the District of \$37,000.00 on or before February 1, 2024.

As a result of the Defendant's failure to pay the full amount of the purchase price of \$37,000.00, the District has incurred costs and expenses in excess of the amount of the partial payment made by the Defendant.



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Article 2 of the Uniform Commercial Code.

61. When the District accepted Defendant's bid on April 28, 2020, the Parties formed a valid, written, and legally enforceable contract under U.C.C. § 2-204 in which

they agreed to all essential terms, including but not limited to, the quantity of iPads being sold and the price to be paid for them.

62. It is undisputed that Defendant ratified the Contract in Paragraph 1 of the

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68. As a direct result of Defendant’s breach, the District has incurred damages under the Contract in excess of \$50,000.

69. Because of Defendant’s breach of the Contract and the Agreement, the District has incurred additional costs and attorneys’ fees in enforcing its contractual rights.

Count Two
Breach of Contract – Payment Plan Agreement



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76. Paragraph 3 of the Agreement provided the following clause for breach:

Missed Payment. If Cornerstone fails to make payment by any of the dates outlined in Paragraph 2 of this Agreement, this will constitute a material breach of this Agreement. In the event of a material breach, Parties agree that the repayment terms and settlement amount outlined in Paragraph 2 above will no longer be in effect and the District may seek to recover any and all damages available to it based on Cornerstone’s failure to comply with the



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82. Paragraph 7 of the Agreement provided the following language with respect

to costs and fees:

Responsibility for Costs. Each party is responsible for its own costs, expenses, and any attorney fees associated with this Agreement, except that

Cornerstone will pay the District’s costs, expenses, and attorneys’ fees pursuant to the provisions of Paragraph 3 in the event Cornerstone does not comply with the repayment terms outlined therein.

83. Paragraph 3 of the Agreement (identified in Paragraph 76 above) provided

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LLC, in an amount in excess of \$50,000, together with costs and disbursements herein,

pre-and-post judgment interest, reasonable attorneys’ fees, and all other relief the Court

deems just and equitable.

3. For such other relief as the Court deems just and equitable.

**SQUIRES, WALDSPURGER, &
MACE P.A.**

Date:



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ACKNOWLEDGMENT

The undersigned hereby acknowledges costs, disbursements and reasonable attorney and witness fees may be awarded to the party against whom the allegations in this pleading

Date:



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PAYMENT PLAN AGREEMENT

This Payment Plan Agreement (“Agreement”) is entered into between Independent School District No. 535, Rochester (“District”) and Cornerstone Technologies, LLC (“Cornerstone”).

WHEREAS, on March 30, 2020, the District sent a request for bids to vendors for the sale of District iPads that were no longer needed by the District;

WHEREAS, Cornerstone submitted two bids for the purchase of the District iPads – an original bid and an alternative bid;

WHEREAS, on April 28, 2020, the District accepted Cornerstone’s alternative bid purchase the District iPads;

WHEREAS, the District’s acceptance of Cornerstone’s alternative bid created a binding contract between the parties (the “Contract”);

WHEREAS, pursuant to Cornerstone’s bid documents and the Contract, Cornerstone agreed to provide payment to the District within 14 days of picking up the District iPads;

WHEREAS, Cornerstone picked up the District iPads on five occasions between June 2020 and February 2021;

WHEREAS, prior to November 2021, Cornerstone failed to remit any payment to the District for the District iPads despite repeated attempts by the District to communicate with Cornerstone to collect the payment;

WHEREAS, after the District’s attorney sent Cornerstone a letter on November 18, 2021, demanding payment and putting it on notice of possible legal claims the District may bring, Cornerstone submitted an initial partial payment to the District on November 29, 2021 of \$40,000.00;

WHEREAS, on February 28, 2022, Cornerstone submitted a second partial payment to the District of \$8,000.00;

WHEREAS, the District and Cornerstone now wish to enter into a repayment plan agreement outlining the manner in which Cornerstone will pay for the iPads the District provided pursuant to the Contract.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE PARTIES AGREE AS FOLLOWS:

1. **Contractual Obligation.** Cornerstone agrees that the District's acceptance of Cornerstone's alternative bid on April 28, 2020, created a binding contract between the parties.
2. **Repayment Plan Amount.** Cornerstone will pay the District three hundred thousand dollars (\$300,000.00) for the amount owed to the District pursuant to the Contract. Cornerstone's November 29, 2021 and February 28, 2022 partial payments to the District of a total of forty-eight thousand dollars (\$48,000.00) will be credited against this amount. The remaining balance of two hundred fifty-two thousand dollars (\$252,000.00) will be due and payable as follows:

<u>Date</u>	—	<u>Amount</u>
1. March 21, 2022	—	\$8,000.00
2. April 21, 2022	—	\$8,000.00
3. May 21, 2022	—	\$8,000.00
4. June 21, 2022	—	\$8,000.00
5. July 21, 2022	—	\$8,000.00
6. August 21, 2022	—	\$8,000.00
7. September 21, 2022	—	\$8,000.00
8. October 21, 2022	—	\$12,000.00
9. November 21, 2022	—	\$12,000.00
10. December 21, 2022	—	\$12,000.00
11. January 21, 2023	—	\$12,000.00
12. February 21, 2023	—	\$12,000.00
13. March 21, 2023	—	\$12,000.00
14. April 21, 2023	—	\$12,000.00
15. May 21, 2023	—	\$12,000.00
16. June 21, 2023	—	\$12,000.00
17. July 21, 2023	—	\$12,000.00
18. August 21, 2023	—	\$12,000.00
19. September 21, 2023	—	\$12,000.00
20. October 21, 2023	—	\$12,000.00
21. November 21, 2023	—	\$12,000.00
22. December 21, 2023	—	\$12,000.00
23. January 21, 2024	—	\$12,000.00
24. February 21, 2024	—	\$4,000.00

The parties expressly agree that this agreed-to amount is a compromise of the outstanding balance the District is owed under the Contract.

3. **Missed Payment.** If Cornerstone fails to make payment by any of the dates outlined in Paragraph 2 of this Agreement, this will constitute a material breach of this Agreement. In the event of a material breach, Parties agree that the repayment terms and settlement amount outlined in Paragraph 2 above will no longer be in effect and the District may seek to recover any and all damages available to it based on Cornerstone's failure to comply with the Contract, including but not limited to the full contract amount of Cornerstone's bid, and the District's costs, disbursements, and attorneys' fees incurred as a result of Cornerstone's failure to comply with the parties' contract.
4. **Authority.** The Parties represent and warrant that they have authority to enter into this Agreement.
5. **Release of Claims.** Upon the full and final payment of all payments made pursuant to Paragraph 2, the District will release and forever discharge Cornerstone, its owners, agents, assigns, employees, volunteers, or any other person or entity associated in interest with Cornerstone, from any and all compensation, actions, causes of action, liability, claims and demands whatsoever, that now exist or may hereafter exist, as a consequence or by reason of any damage, loss, or injury, known or unknown, which has been or may hereafter be sustained by the undersigned in consequence of or in any way arising out of Cornerstone's purchase of the District iPads. This Release expressly includes all compensation and damages known or unknown, suspected or unsuspected, anticipated or unanticipated, which have occurred or which may occur in the future and which are in any way or manner caused by or related to Cornerstone's purchase of the District iPads.
6. **Voluntary Agreement.** The parties acknowledge that no person has exerted undue pressure on them to sign this Agreement. Each party is voluntarily choosing to enter into this Agreement because of the benefits that are provided under this Agreement.
7. **Responsibility for Costs.** Each party is responsible for its own costs, expenses, and any attorney fees associated with this Agreement, except that Cornerstone will pay the District's costs, expenses, and attorneys' fees pursuant to the provisions of Paragraph 3 in the event Cornerstone does not comply with the repayment terms outlined therein.

Signature: Jean Marvin
Jean Marvin (Mar 25, 2022 16:35 CDT)

Email: jemarvin@rochesterschools.org


Signature: Don Barlow
Don Barlow (Mar 29, 2022 12:07 CDT)

Email: dobarlow@rochesterschools.org

- 8. **Choice of Law, Forum and Severability.** This Agreement is governed by the laws of the State of Minnesota regardless of Cornerstone’s domicile or status as an entity registered any other state. The parties agree that the Minnesota state and federal courts will have exclusive jurisdiction over any dispute arising out of this Agreement. If a court determines that any part of this Agreement is unlawful or unenforceable, the remaining portions of the Agreement will remain in full force and effect.
- 9. **Equal Drafting.** In the event any party asserts that a provision of this Agreement is ambiguous, the Agreement must be construed to have been drafted equally by the parties.
- 10. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relating to this matter. No party has relied upon any statements, promises, or representations that are not stated in this document. No changes to this Agreement are valid unless they are in writing and signed by all parties.
- 11. **Signatures.** This Agreement may be signed in counterparts, and a copy of this Agreement will have the same legal effect as the original.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the dates shown below. By signing below, each party specifically acknowledges that it has read this Agreement; that it has been advised to review the terms of this Agreement with legal counsel; and that it understands and voluntarily agrees to be legally bound by all terms of the Agreement.

CORNERSTONE TECHNOLOGIES, LLC

Dated: February 25, 2022 
By: Bruce Manssuel
Its: CEO

INDEPENDENT SCHOOL DISTRICT NO. 535, ROCHESTER

Dated: Mar 25, 2022 Jean Marvin
School Board Chair

Dated: Mar 29, 2022 Don Barlow
School Board Clerk









Attachment A - Payment Plan Agreement with Cornerstone Technologies

Final Audit Report

2022-03-29

Created:	2022-03-25
By:	Christina Rudlong (chrudlong@rochesterschools.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAH4qCMUrEtaDICuBC_2MgHMLipCHgVtyU

"Attachment A - Payment Plan Agreement with Cornerstone Technologies" History

-  Document created by Christina Rudlong (chrudlong@rochesterschools.org)
2022-03-25 - 6:53:01 PM GMT
-  Document emailed to Jean Marvin (jemarvin@rochesterschools.org) for signature
2022-03-25 - 6:56:32 PM GMT
-  Email viewed by Jean Marvin (jemarvin@rochesterschools.org)
2022-03-25 - 9:34:14 PM GMT
-  Document e-signed by Jean Marvin (jemarvin@rochesterschools.org)
Signature Date: 2022-03-25 - 9:35:58 PM GMT - Time Source: server
-  Document emailed to Don Barlow (dobarlow@rochesterschools.org) for signature
2022-03-25 - 9:36:00 PM GMT
-  Email viewed by Don Barlow (dobarlow@rochesterschools.org)
2022-03-29 - 5:04:51 PM GMT
-  Document e-signed by Don Barlow (dobarlow@rochesterschools.org)
Signature Date: 2022-03-29 - 5:07:26 PM GMT - Time Source: server
-  Agreement completed.
2022-03-29 - 5:07:26 PM GMT