This opinion is nonprecedential except as provided by Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A25-0456

Farhan Badel, et al.,
Respondents,

vs.

Minnesota Uber/Lyft Drivers Association, et al.,
Appellants.

Filed September 29, 2025
Affirmed
Worke, Judge

Hennepin County District Court
File No. 27-CV-24-12901

Timothy R. Maher, Joseph D. Kantor, Guzior Armbrecht Maher, St. Paul, Minnesota (for respondents)

Stephen W. Cooper, Stacey R. Everson, The Cooper Law Firm, Chartered, Minneapolis, Minnesota (for appellants)

Considered and decided by Worke, Presiding Judge; Johnson, Judge; and Reyes, Judge.

NONPRECEDENTIAL OPINION

WORKE, Judge

In this interlocutory appeal involving multiple entities that purport to represent drivers for ridesharing companies, appellants contest a district court order denying in part their motion to dismiss under Minn. R. Civ. P. 12.02. Appellants argue that respondents lack standing to bring claims under the Minnesota Uniform Deceptive Trade Practices Act (DTPA), Minn. Stat. §§ 325D.43-.48 (2024), and the Minnesota Prevention of Consumer Fraud Act (CFA), Minn. Stat. §§ 325F.68-.70 (2024).[1] Because respondents allege a sufficient basis for standing in their complaint, we affirm.

FACTS

In August 2024, six current or former rideshare drivers—respondents Farhan Badel, Mohamed Bulle, Mustafa Abdile, Ahmed Mohamed, Ahmed Igale, and Dawit Kassa—sued three entities involved in driver-organizing efforts, appellants Minnesota Uber/Lyft Drivers Association, MULDA, and MULDA-RC.

The complaint set forth the following facts. Respondents "currently, or in the past, have provided driver services for Uber, Lyft and other app-based ride companies." In June 2022, several drivers met and discussed "organizing to receive better pay for their services." They selected multiple drivers to serve on a committee that would represent drivers' interests. A man at the meeting, E.A., "indicated that he had organized taxi drivers in the past and, with his various connections, could help the group achieve its goals." The group decided that E.A. would act as its leader while the committee "would maintain contact with the community." The group adopted the name, "Minnesota Uber/Lyft Drivers Association" (the association).

[1] Regarding the CFA, the district court dismissed these claims for failure to be pleaded against the two entities. As such, there is no standing ruling regarding the CFA claims before us on this appeal.

E.A. incorporated the association. A website for the association was registered and featured a tab titled "Membership" that accepted payments from the public in exchange for membership. On the website, the association shortened its name to "MULDA." The association then used the name "MULDA" in public relations, on social media, and on t-shirts. The association eventually held a meeting at a hotel; around 500 drivers attended. The association received over $60,000 from drivers who wanted to become members of the association.

In April 2023, the association filed amended and restated articles of incorporation that provided: "This corporation shall have no members." The existing members of the association never approved the amendment. Despite the amendment, the association, as of the date of the complaint, continued receiving membership payments from its online website.

In August 2023, E.A. incorporated "MULDA-RC" and "MULDA." E.A. used the names "MULDA" and "MULDA-RC" to transfer money from the association to himself personally. Many drivers were concerned about E.A.'s "lack of transparency and accountability with respect to his management."

Based on the foregoing allegations, respondents brought claims against appellants under the DTPA and the CFA.[2]

[2] Respondents brought additional claims seeking equitable and monetary relief, declaratory relief, and injunctive relief. Those claims are not at issue on appeal.

Regarding the DTPA claim, respondents alleged that appellants' use of the name "MULDA" triggered "confusion and misunderstanding amongst [respondents] and other drivers as to [appellants]' affiliation, connection, or association with each other." Respondents asserted that the name "MULDA" represented to drivers that the organizations MULDA and MULDA-RC have "sponsorship, approval, status, affiliation, or connection with [the association], which they apparently do not have." Because of that deception, respondents stated that they suffered damages. For relief, respondents requested an injunction prohibiting "further deceptive trade practices," along with costs and attorney fees.

Regarding the CFA claim, respondents alleged that the association accepted monetary payments from members of the public in exchange for making them members of the association. However, respondents alleged that the association, "now claims that it has no members, yet continues to operate a website that seeks payments for 'Membership.'" Respondents asserted that the association's acts are a "misrepresentation, misleading statement or deceptive practice" with many drivers, including respondents, having paid money to the association "with the expectation that they were members." Because of the association's fraudulent misconduct, respondents claimed that they suffered damages. For relief, respondents requested an injunction under Minn. Stat. § 325F.70, subd. 1. In addition, they requested damages, attorney fees, costs and disbursements, and investigative costs.

Appellants moved to dismiss respondents' claims under Minn. R. Civ. P. 12.02, arguing that respondents failed to plead claims upon which relief can be granted, and in addition, lacked standing against MULDA and MULDA-RC.

In February 2025, the district court filed an order in which it denied in part appellants' motion to dismiss.

The district court construed the DTPA claim as being asserted against only MULDA and MULDA-RC, not against the association. First, the district court applied Minnesota's notice-pleading standard to conclude that respondents adequately pleaded a claim against MULDA and MULDA-RC. Second, the district court concluded that respondents had a legislative grant of standing under Minn. Stat. § 325D.45 and included sufficient detail in the complaint to establish standing.

The district court applied the notice-pleading standard to the CFA claim to conclude that respondents adequately stated a claim against the association, but not against MULDA and MULDA-RC. The district court thus dismissed the CFA claim against MULDA and MULDA-RC for failure to state a claim on which relief could be granted.

Appellants filed this direct appeal, arguing that the district court erred on the standing issue. Appellants also petitioned for discretionary review, arguing that the district court erred when it applied Minnesota's notice-pleading standard—rather than Minn. R. Civ. P. 9.02—to uphold respondents' claims, and that the ruling merited immediate review. In an order, a special term panel of this court denied the petition for discretionary review and clarified that this interlocutory appeal is limited to the standing issue with respect to the DTPA claim. *See Badel v. Minn. Uber/Lyft Drivers Ass'n*, No. A25-0457, 2025 WL 1276257, at *1-2 (Minn. App. Apr. 29, 2025) (order).

DECISION

Appellants argue that respondents lack standing to bring their claims under DTPA and the CFA.[3] Standing requires a party to "have a sufficient stake in the controversy to seek relief from the court." *Webb Golden Valley, LLC v. State*, 865 N.W.2d 689, 693 (Minn. 2015). The focus of standing is "on whether the plaintiff is the proper party to bring a particular lawsuit." *Citizens for Rule of Law v. Senate Comm. on Rules & Admin.*, 770 N.W.2d 169, 174 (Minn. App. 2009), *rev. denied* (Minn. Oct. 20, 2009). The purpose of standing is to guarantee that parties adequately and vigorously present issues for the courts to decide. *State, by Humphrey v. Philip Morris Inc.*, 551 N.W.2d 490, 493 (Minn. 1996). "Standing is acquired in two ways: either the plaintiff has suffered some injury-in-fact or the plaintiff is the beneficiary of some legislative enactment granting standing." *Id.* (quotation omitted).

A district court may grant a motion to dismiss for lack of standing. *See* Minn. R. Civ. P. 12.02(a) (permitting motion to dismiss for "lack of jurisdiction over the subject matter"); *Clapp v. Sayles-Adams*, 15 N.W.3d 648, 652 (Minn. 2025) ("Standing is an essential element of jurisdiction . . . ."). We review de novo a district court's denial of a motion to dismiss for lack of standing. *See Forslund v. State*, 924 N.W.2d 25, 30 (Minn.

[3] Because the district court construed the complaint not to allege CFA claims against MULDA and MULDA-RC, there is no standing ruling for us to review on those claims. Although arguments regarding standing may not be forfeited, there is no basis for us to address standing with regard to claims that the district court determined were not pleaded.

App. 2019). In doing so, we "accept as true all material allegations of the complaint, and . . . construe the complaint in favor of the complaining party." *Id.* at 32 (quotation omitted). "At the pleading stage, general factual allegations . . . may suffice, for on a motion to dismiss [a court presumes] that general allegations embrace those specific facts that are necessary to support the claim." *Id.* (quotation omitted).

At the outset, we note that both the DTPA and the CFA "are remedial in nature and are to be liberally construed in favor of protecting consumers." *State v. Minn. Sch. of Bus., Inc.*, 935 N.W.2d 124, 133 (Minn. 2019) (quotation omitted).

> In passing consumer fraud statutes, the legislature clearly intended to make it easier to sue for consumer fraud than it had been to sue for fraud at common law. The legislature's intent is evidenced by the *elimination* of elements of common law fraud, such as proof of damages or reliance on misrepresentations. *State, by Humphrey v. Alpine Air Prods., Inc.*, 500 N.W.2d 788, 790 (Minn. 1993).

DTPA Claim

Under the DTPA,

> [a] person engages in a deceptive trade practice when, in the course of business, vocation, or occupation, the person:
>
> (1) passes off goods or services as those of another;
>
> (2) causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval, or certification of goods or services;
>
> (3) causes likelihood of confusion or of misunderstanding as to affiliation, connection, or association with, or certification by, another;
>
> . . . .
>
> (14) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

Minn. Stat. § 325D.44, subd. 1. For remedies, the DTPA provides:

> A person likely to be damaged by a deceptive trade practice of another may be granted an injunction against it under the principles of equity and on terms that the court considers reasonable. Proof of monetary damage, loss of profits, or intent to deceive is not required. Relief granted for the copying of an article shall be limited to the prevention of confusion or misunderstanding as to source. [4]

Minn. Stat. § 325D.45, subd. 1.

The Minnesota Supreme Court has stated that the DTPA "contains its own legislative grant of standing," and permits "any person 'likely to be damaged by a deceptive trade practice of another' to seek injunctive relief." *Phillip Morris Inc.*, 551 N.W.2d at 496 (quoting Minn. Stat. § 325D.45, subd. 1). "Injury," the court stated, "need not be proven." *Id.*

Here, when we accept respondents' allegations as true, and construe the complaint in their favor, we conclude that they have standing to bring a DTPA claim. *See Forslund*, 924 N.W.2d at 32. In the complaint, respondents describe themselves as current or former rideshare drivers who were part of the association. Many drivers, including respondents, paid fees to become members of the association. However, respondents allege, the existence of additional organizations with the name "MULDA" created confusion among drivers as to whether those organizations had the "sponsorship, approval, status, affiliation, or connection" with the association. Respondents even allege that E.A., whom the drivers

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[4] The word "person" includes business entities that perpetrate or are likely to suffer damages because of deceptive trade practices. *See Phillip Morris Inc.*, 551 N.W.2d at 497-98 (determining that health-care organization had standing to sue multiple tobacco companies under the DTPA).

selected to lead the association, used the names "MULDA" and "MULDA-RC" to transfer money from the association to himself. As a result, respondents requested an injunction to stop deceptive trade practices.

Although appellants argue that respondents did not plead damages or injury with sufficient specificity, section 325D.45 confers standing on parties who are "*likely* to be damaged by a deceptive trade practice," and therefore, injury "need not be proven." *Phillip Morris Inc.*, 551 N.W.2d at 496 (emphasis added) (quotation omitted). If MULDA and MULDA-RC confused respondents as to the identity of which organization represented the interests of drivers—and even misused funds that they provided—such behavior is likely to cause damages.

Given the allegations in the complaint, we conclude that respondents are "a proper party to bring [this] particular lawsuit." *See Citizens for Rule of Law*, 770 N.W.2d at 174.

Affirmed.