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**STATE OF MINNESOTA
IN COURT OF APPEALS
A16-1461**

Busad Kheyre, et al.,
Appellants,

vs.

M & S Properties LLC,
Respondent,

Mohammad Sabri d/b/a J&S Services Ltd.,
Defendants.

**Filed June 12, 2017
Affirmed in part and reversed in part
Halbrooks, Judge**

Hennepin County District Court
File No. 27-CV-14-14925

Michael T. Cain, Daniel L.M. Kennedy, Kennedy & Cain PLLC, Minneapolis, Minnesota
(for appellants)

Gregory Mark Miller, Siegel Brill PA, Minneapolis, Minnesota (for respondent)

Considered and decided by Jesson, Presiding Judge; Halbrooks, Judge; and Worke,
Judge.

UNPUBLISHED OPINION

HALBROOKS, Judge

In this appeal arising from a landlord-tenant dispute, appellant tenants challenge the denial of their motion for summary judgment, arguing that the district court erred in

concluding that respondent proprietor's counterclaim is not barred by collateral estoppel. Appellants also challenge the district court's findings of fact, conclusions of law, and judgment, arguing that the district court erred in concluding that they failed to meet their burden of proving damages related to their breach-of-lease claim. We affirm in part and reverse in part.

FACTS

Appellants Busad Kheyre and Asha Hibad are shareholders of Somali Senior Center, Inc. In January 2010, they entered into a lease with 3005 Cedar, LLC, for commercial space at 3015 Cedar Avenue South. This commercial space is part of a larger development of several buildings with a single tax-parcel address of 1825 East Lake Street in Minneapolis. Defendant Mohammad Sabri signed the lease on behalf of 3005 Cedar.

The lease agreement divided appellants' monthly payments into two parts: base rent and additional rent. Appellants' monthly base rent was \$5,200. The lease defines appellants' additional rent as 30% of "Tenant's proportionate share of Operating Expenses and Real Estate Taxes." It also provides:

Upon completion of each calendar year during the term of this Lease or any renewal or extension thereof, Landlord shall cause its accountants to determine the actual amount of the Real Estate Taxes, and Operating Expenses payable in such calendar year and Tenant's share thereof and deliver a written certification of the amounts thereof to Tenant. If Tenant has underpaid its share of Real Estate Taxes and Operating Expenses for such calendar year, Tenant shall pay the balance of its share of same within ten (10) days after the receipt of such statement, if Tenant has overpaid its share of Real Estate Taxes, or Operating Expenses for such calendar year, Landlord shall either (i) refund such excess, or (ii) credit such excess against the most current monthly installment or installments

due landlord for its estimate of Tenant's share of Real Estate Taxes and Operating Expenses for the next following calendar year.

In 2010, appellants' additional rent was \$1,784, which was the sum of \$645 in monthly operating expenses and \$1,139 in monthly estimated real estate taxes. Appellants' failure to pay rent under this lease resulted in several eviction actions and this breach-of-contract action on appeal.

After 3005 Cedar filed the first eviction action against appellants for nonpayment of rent, the parties signed a settlement agreement on September 23, 2010. Under the settlement agreement, appellants agreed to continue paying \$6,984¹ in rent each month to 3005 Cedar and to pay \$46,000 in past rent, payable at \$730.60² per month, to SABA, LLC.

Following this settlement agreement, 3005 Cedar brought a second eviction action, claiming that appellants failed to pay rent from November 2010 to January 2011. To bring appellants current in all of their payments, the district court ordered them to pay \$12,013. The district court's 2011 judgment also stated, "The current rent due is \$6,984 per month and February rent should be paid by [February 15, 2011]. [Appellants] need to either negotiate with [3005 Cedar] and put in writing or bring an appropriate action to reform the lease before these amounts can be changed." Appellants paid 3005 Cedar \$12,013 to become current on all payments.

¹ This amount includes the \$5,200 base rent and \$1,784 additional rent, based off the 2010 calculations.

² The settlement agreement contains two different monthly payment amounts—\$750.60 and \$730.60. But the parties agree that the correct monthly payment is \$730.60.

On March 3, 2011, after a third eviction action was initiated, the district court appointed a receiver to oversee the properties owned by 3005 Cedar, including the 1825 East Lake Street parcel. During the receivership, SABA assigned its right to collect the monthly payment of \$730.60 under the 2010 settlement agreement to Sabri Properties, LLC. On July 8, 2013, 3005 Cedar transferred ownership in the 1825 East Lake Street parcel to respondent M & S Properties LLC (M & S). Sabri owns M & S. The receivership ended on July 12, 2013, when the underlying eviction action was dismissed. M & S filed the fourth eviction action against appellants on August 14, 2013, which was dismissed without prejudice on August 27, 2013.

M & S brought a fifth eviction action against appellants on October 7, 2013. In this action, M & S also sought monetary relief, claiming that appellants underpaid the additional rent amount in 2012 and 2013 and breached the settlement agreement by failing to pay \$730.60 per month. At trial, the district court received evidence that SABA assigned its rights under the settlement agreement to Sabri Properties. M & S claimed that Sabri Properties assigned its rights under the settlement agreement to M & S on the same day but provided no evidence to support this claim.

The district court dismissed M & S's claims in the fifth action after trial (2013 judgment). It concluded, based on the evidence in the record, that M & S had no right to collect payments under the settlement agreement.

In the current action, appellants filed a lawsuit against M & S. Relevant to this appeal, appellants alleged that they are entitled to reimbursement of additional rent that they paid because M & S breached the terms of the lease regarding calculation of additional

rent. M & S counterclaimed that appellants breached the terms of the settlement agreement by failing to make monthly payments as required by the lease. Appellants contended that M & S's counterclaim was barred by the district court's 2013 judgment, and M & S argued that appellants failed to prove damages related to its breach-of-lease claim because they were required to pay additional rent under the 2011 judgment. M & S moved for partial summary judgment on its breach-of-the-settlement-agreement counterclaim, and appellants moved for partial summary judgment on its breach-of-lease claim and M & S's counterclaim.

In support of its motion, M & S presented two documents to demonstrate that it is entitled to collect under the settlement agreement: (1) an assignment of rights under the settlement agreement from Sabri Properties to M & S, dated April 25, 2012 and (2) an acknowledgment of the assignment under the settlement agreement that states that M & S "is the sole owner of any and all interest." The district court concluded that neither res judicata nor collateral estoppel applied because the acknowledgment of the assignment created a new set of factual circumstances and because the district court's 2013 judgment was not a judgment on the merits. It denied both parties' motions for summary judgment, and the matter proceeded to trial.

At trial, the district court entered judgment for M & S on its counterclaim and determined that appellants breached the settlement agreement. It ordered appellants to pay \$43,808.20 to M & S. Both parties testified regarding the calculation and payment of additional rent. The district court concluded that M & S breached the lease with respect to additional rent because it did not properly calculate additional rent pursuant to the 2013

judgment. Although it concluded that M & S breached the lease, the district court dismissed appellants' claim with prejudice based on its finding that they failed to prove damages. This appeal follows.

DECISION

I.

Appellants contend that the district court erred by denying their motion for partial summary judgment because collateral estoppel or res judicata bar M & S's counterclaim. M & S did not file a brief in this appeal, but we nonetheless determine the matter on the merits. Minn. R. Civ. App. P. 142.03. "On appeal from summary judgment, we must review the record to determine whether there is any genuine issue of material fact and whether the district court erred in its application of the law." *Dahlin v. Kroening*, 796 N.W.2d 503, 504-05 (Minn. 2011). "Whether collateral estoppel precludes litigation of an issue is a mixed question of law and fact that we review de novo." *Hauschildt v. Beckingham*, 686 N.W.2d 829, 837 (Minn. 2004). "We review the application of res judicata de novo." *Rucker v. Schmidt*, 794 N.W.2d 114, 117 (Minn. 2011).

Collateral estoppel, commonly known as issue preclusion, precludes relitigation of an issue once it has been determined by a court of competent jurisdiction, and it applies if:

- (1) the issue was identical to one in a prior adjudication;
- (2) there was a final judgment on the merits; (3) the estopped party was a party or in privity with a party to the prior adjudication; and (4) the estopped party was given a full and fair opportunity to be heard on the adjudicated issue.

Kaiser v. N. States Power Co., 353 N.W.2d 899, 902 (Minn. 1984) (quotation omitted).

Similar to collateral estoppel, res judicata

precludes parties from raising subsequent claims in a second action when: (1) the earlier claim involved the same set of factual circumstances; (2) the earlier claim involved the same parties or their privities; (3) there was a final judgment on the merits; [and] (4) the estopped party had a full and fair opportunity to litigate the matter.

Brown-Wilbert, Inc. v. Copeland Buhl & Co., 732 N.W.2d 209, 220 (Minn. 2007) (quotation omitted). The district court concluded that neither res judicata nor collateral estoppel barred M & S's counterclaim for breach of contract because the counterclaim involved a different set of facts and the 2013 dispute did not resolve the issues on the merits.

We begin by noting that whether the application of res judicata or collateral estoppel is proper here involves an analysis of the same facts and issues. Because the requirements for res judicata and collateral estoppel are similar in the context of this appeal, we analyze them together. Our analysis begins by addressing the factual circumstances at issue.

A.

Appellants argue that the district court erred in concluding that the facts have changed since the initiation of this action. The district court determined that “[t]he 2013 dispute and the current dispute both involve interpretation of the Lease in light of the Settlement Agreement” but concluded that acknowledging the assignment of rights executed after initiation of this lawsuit meant that the facts “apparently changed.” A prior judgment cannot bar a subsequent claim, if new facts or conditions intervene prior to the second dispute that furnishes a new basis for the claims and defenses of the parties. *Federated Mut. Ins. Co. v. Litchfield Precision Components, Inc.*, 456 N.W.2d 434, 439

(Minn. 1990). Central to this question is whether the two disputes involve the same “group of operative facts.” *Hauschildt*, 686 N.W.2d at 840 (quotation omitted).

Appellants contend that acknowledgment of the assignment does not establish any new facts because the assignment from Sabri Properties to M & S existed at the time of the 2013 dispute and the acknowledgment “was [an] attempt to create new evidence where none existed.” We agree.

The operative facts in this dispute revolve around the settlement agreement, in which appellants agreed to pay \$730.60 per month to SABA. SABA assigned its rights in the settlement agreement to Sabri Properties on April 25, 2012. In the 2013 dispute, M & S alleged that it had rights to collect sums owing pursuant to the settlement agreement by valid assignment, but the district court concluded that Sabri Properties, not M & S, had rights under the settlement agreement.

M & S provided two additional documents in the current matter to prove that Sabri Properties had validly assigned its interest in the settlement agreement to M & S. First, it submitted the assignment, dated April 25, 2012. This document does not constitute a new set of facts because it existed at the time of the 2013 dispute. Second, M & S provided an acknowledgment of the assignment that states that M & S “is the sole owner of any and all interest” in the settlement agreement. Sabri Properties, M & S, and other entities that were involved in the settlement agreement signed and dated this acknowledgment on August 14, 2015—after initiation of the current dispute. This document is evidence that attempts to bolster the validity of the assignment itself; it does not contain any new facts. Because the

acknowledgment does not include any new facts, we conclude that this dispute involves the same set of factual circumstances that existed at the time of the 2013 dispute.

Appellants also argue that the issue of standing to sue under the settlement agreement is identical in both matters. The district court determined that “[t]he 2013 dispute and the current dispute both involve interpretation of the Lease in light of the Settlement Agreement.” In the 2013 dispute, the district court dismissed M & S’s claim related to the settlement agreement because it concluded that the right to collect the monthly payment was never assigned to M & S. Here, M & S again claims that the right to collect under the settlement agreement was assigned to it. We conclude that the issue of whether M & S has standing to sue under the settlement agreement is identical in both disputes.

B.

With respect to the requirement that the same parties must have been involved in the earlier suit, appellants assert, and the district court concluded, that the parties are identical in both the 2013 dispute and this matter. *See Kaiser*, 353 N.W.2d at 902 (stating that the application of collateral estoppel requires the estopped party to have been a party or in privity with a party to the prior adjudication). We agree.

C.

Appellants contend that dismissal of M & S’s claim in the 2013 dispute operated as a final judgment on the merits. Normally, a judgment arising from an eviction action has a limited preclusive effect based on the summary nature of the court proceeding. *Real Estate Equity Strategies, LLC v. Jones*, 720 N.W.2d 352, 357-58 (Minn. App. 2006); *see*

Minn. Stat. § 504B.001, subd. 4 (2016). But here, the nature of the 2013 dispute went beyond the scope of an eviction proceeding because M & S also requested monetary relief. *See Jones*, 720 N.W.2d at 358 (concluding that the scope of an eviction proceeding is limited to determining which party has “the right to present possession of the premises”).

In the 2013 dispute, M & S claimed that appellants breached the terms of the settlement agreement by failing to make payments as the agreement required. It alleged that it had standing to sue under the settlement agreement because Sabri Properties validly assigned its right to collect payments to M & S. As previously noted, the district court dismissed this claim because it concluded that only Sabri Properties—not M & S—had standing to collect payments under the settlement agreement. The district court did not address whether appellants breached the terms of the settlement agreement.

Here, M & S again alleges that appellants breached the settlement agreement and maintains that it is entitled to collect payments and sue under the settlement agreement. The district court concluded that the 2013 judgment was not a judgment on the merits because it did not resolve the issue of which party, if any, breached the lease and settlement agreement.

First, appellants maintain that the 2013 judgment was a final judgment because M & S did not appeal it. A “judgment becomes final when it is entered in the district court and it remains final, despite a pending appeal, until it is reversed, vacated or otherwise modified.” *Brown-Wilbert, Inc.*, 732 N.W.2d at 221. M & S did not appeal the 2013 judgment. We therefore conclude that the 2013 judgment was a final judgment. Next, we must determine whether the 2013 judgment was a judgment on the merits.

Appellants assert that the 2013 judgment was a judgment on the merits because, under these circumstances, a dismissal operates as an adjudication on the merits pursuant to Minn. R. Civ. P. 41.02(c) and because the 2013 judgment referenced M & S’s failure of proof—not lack of standing—as the reason that it was not entitled to collect under the settlement agreement.

Generally, standing “*focuses on the party* seeking to get his complaint before a . . . court and *not on the issues* he wishes to have adjudicated.” *Sundberg v. Abbott*, 423 N.W.2d 686, 688 (Minn. App. 1988) (quoting *Flast v. Cohen*, 392 U.S. 83, 99, 88 S. Ct. 1942, 1952 (1968)), *review denied* (Minn. June 29, 1988). A dismissal operates as an adjudication on the merits unless the court specifies otherwise in its order or the dismissal is “for lack of jurisdiction, for forum non conveniens, or for failure to join a party indispensable.” Minn. R. Civ. P. 41.02(c). Standing is essentially a jurisdictional defect “because the existence of a justiciable controversy underlies the court’s jurisdiction.” *State v. Nodes*, 538 N.W.2d 158, 161 (Minn. App. 1995), *review granted* (Minn. Dec. 20, 1995) *and appeal dismissed* (Minn. Feb. 9, 1996). Consequently, a “[d]ismissal for lack of standing is not a judgment on the merits.” *Goldberger v. Kaplan, Strangis & Kaplan, P.A.*, 534 N.W.2d 734, 736 n.1 (Minn. App. 1995), *review denied* (Minn. Sept. 28, 1995).

Here, the 2013 judgment dismissed M & S’s claim related to the settlement agreement because only Sabri Properties was entitled to collect under the settlement agreement; M & S had no rights under the settlement agreement. Because the district court dismissed M & S’s claim in the 2013 dispute based on its lack of standing, Minn. R. Civ.

P. 41.02(c) does not apply here. We therefore reject appellants' argument that the 2013 judgment was a final judgment on the merits.

Even though M & S's claim in the 2013 dispute was not a final judgment on the merits, appellants argue that collateral estoppel should bar the issue of whether M & S has a right to sue under the settlement agreement because it was properly litigated and was a major component of the 2013 dispute. Because a dismissal based on lack of standing is not a final judgment on the merits, res judicata and collateral estoppel do not apply in a technical sense. *Goldberger*, 534 N.W.2d at 736 n.1; *Sundberg*, 423 N.W.2d at 688. But our analysis does not end there.

The Minnesota Supreme Court has stated that the "underlying principle that an adjudication on the merits of an issue is conclusive, and should not be relitigated, clearly applies" *even if* collateral estoppel does not apply in a technical sense. *Loo v. Loo*, 520 N.W.2d 740, 743-44 (Minn. 1994). Collateral estoppel has "the dual purpose of protecting litigants from the burden of relitigating an identical issue with the same party or his privy and of promoting judicial economy by preventing needless litigation." *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326, 99 S. Ct. 645, 649 (1979). "The issue on which collateral estoppel is to be applied must be the same as that adjudicated in the prior action and it must have been necessary and essential to the resulting judgment in that action." *Hauschildt*, 686 N.W.2d at 837.

According to appellants, the issue on which collateral estoppel applies is not whether appellants breached the terms of the settlement agreement but whether M & S has standing to sue appellants under the settlement agreement. In the 2013 dispute, the district

court determined that M & S did not have standing to collect payments pursuant to the settlement agreement because those rights had been validly assigned to Sabri Properties. Here, M & S argues again that it had the right to collect payments pursuant to the settlement agreement by valid assignment. We conclude that collateral estoppel bars M & S from attempting to relitigate this issue because it was previously resolved by the district court.

We note that federal courts have similarly applied collateral estoppel to preclude relitigation of a standing issue in a subsequent lawsuit. *McCarney v. Ford Motor Co.*, 657 F.2d 230, 233-34 (8th Cir. 1981); *Johnson v. LaSalle Bank Nat'l Ass'n*, 663 F. Supp. 2d 747, 767 (D. Minn. 2009); *see also Brereton v. Bountiful City Corp.*, 434 F.3d 1213, 1218-19 (10th Cir. 2006) (“[E]ven a dismissal without prejudice will have a preclusive effect on the standing issue in a future action.”). Although not binding, we find these cases persuasive. *Hinckley Square Assocs. v. Cervene*, 871 N.W.2d 426, 430 (Minn. App. 2015) (“Federal caselaw does not bind Minnesota courts . . .”).

The Eighth Circuit addressed the “narrow issue of whether a dismissal for lack of standing to invoke a particular statute can act as a bar to a later suit based upon the same factual allegations” in *McCarney*. 657 F.2d at 231. In an earlier action, the federal district court determined that plaintiffs lacked standing to sue under a particular statute. *Id.* In *McCarney*, plaintiffs filed another lawsuit against the same defendant asserting different theories of relief. *Id.* at 231-32. The Eighth Circuit held that “a decision to dismiss based on any of the doctrines under the justiciability heading should preclude relitigation of the same justiciability issue but not a second suit on the same claim even if arising out of the identical set of facts.” *Id.* at 233. It determined that the plaintiffs’ second suit “would have

clearly been precluded by their earlier suit which decided the standing issue,” but collateral estoppel did not bar their claims because they alleged different theories of relief. *Id.* at 233-34. In *Johnson*, the court determined that a dismissal for lack of standing is not a judgment on the merits but that collateral estoppel precludes a party from relitigating the same issue of subject-matter jurisdiction that provided a basis for dismissing an earlier case. 663 F. Supp. 2d at 767.

We conclude that the district court’s dismissal of M & S’s claim in 2013 was a judgment on the merits as it relates to the issue of standing to sue under the settlement agreement.

D.

Appellants contend that M & S had a full and fair opportunity to litigate this matter. The district court did not address this question. To determine whether a party had a full and fair opportunity to litigate a matter, we generally focus “on whether there were significant procedural limitations in the prior proceeding, whether the party had the incentive to litigate fully the issue, or whether effective litigation was limited by the nature or relationship of the parties.” *State v. Joseph*, 636 N.W.2d 322, 328 (Minn. 2001) (quotation omitted).

Here, M & S filed the 2013 dispute in district court as an eviction proceeding pursuant to Minn. R. Gen. Pract. 602. M & S also claimed it was entitled to monetary relief under the settlement agreement. The Minnesota Rules of Civil Procedure apply to eviction proceedings if they are not inconsistent with the general rules of practice. Minn. R. Gen. Pract. 601. At summary judgment, M & S did not argue that significant procedural

limitations, limitations by the parties, or lack of incentive to litigate the issue impeded its ability to litigate this matter fully and fairly. Because M & S did not argue that a procedural limitation precluded it from entering into evidence the assignment of the settlement agreement from Sabri Properties to M & S and because we find no procedural limitation existed, we conclude that M & S had a full and fair opportunity to litigate this issue in the 2013 dispute.

In sum, we conclude that collateral estoppel bars M & S from relitigating the issue of whether it can collect payments pursuant to the 2010 settlement agreement. The parties in this matter are identical to the parties in the 2013 dispute, and M & S had a full and fair opportunity to litigate the validity of the assignment of the 2010 settlement agreement in that case. The issue has not changed. Moreover, the district court's dismissal of M & S's claim in 2013 operated as a judgment on the merits as it relates to the issue of standing. Therefore, the district court erred in concluding that collateral estoppel did not apply to M & S's breach-of-the-settlement-agreement claim.

II.

Appellants contend that the district court erred by not awarding them damages as a result of M & S's breach of the lease. The district court held that M & S breached the lease as it related to the calculation of additional rent but concluded that appellants failed to meet their burden of proving damages because (1) they "provided no credible evidence, such as receipts or accounting ledgers, that they paid additional rent," (2) the 2011 judgment barred recovery of additional rent from November 2010 to July 2013, and (3) appellants failed to prove that they "suffered any damage by overpaying in additional rent from 2010 to 2013."

A.

Appellants argue that the district court clearly erred in concluding that they failed to meet their burden of proving damages, because M & S's sole witness at trial testified that they paid additional rent until November 2013. "Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the [district] court to judge the credibility of the witnesses." Minn. R. Civ. P. 52.01; *Rasmussen v. Two Harbors Fish Co.*, 832 N.W.2d 790, 797 (Minn. 2013). Findings of fact are clearly erroneous if this court is "left with the definite and firm conviction that a mistake has been made." *Rasmussen*, 832 N.W.2d at 797 (quotation omitted).

"In an ordinary civil action the plaintiff has the burden of proving every essential element of his case, including damages by a fair preponderance of the evidence." *Wick v. Widdell*, 276 Minn. 51, 53-54, 149 N.W.2d 20, 22 (1967). Fair preponderance of the evidence is evidence offered to prove a given fact that "fairly outweigh[s] the evidence offered in opposition to it and be of greater convincing force and effect." *Carpenter v. Nelson*, 257 Minn. 424, 427, 101 N.W.2d 918, 920 (1960).

Here, appellants argue that credible evidence established that they paid additional rent from 2010 to 2013. Appellants offered into evidence two documents, which they argue conclusively demonstrate that they have met their burden of proving damages. First, appellants submitted a statement showing a rent balance due of \$0 on November 30, 2013, which they argue demonstrates that they had paid additional rent up to that point. Second, appellants contend that a letter from Sabri, notifying them that their monthly rent was past

due from December 2013 demonstrates that they had paid their rent up to that point. Appellants also argue that the following exchange at trial serves as an admission by Sabri that appellants paid additional rent:

APPELLANTS' ATTORNEY: And until that letter, which is about a week after [the district court's] order, [appellants] had been paying that \$6,984 every month, correct?

....

APPELLANTS' ATTORNEY: I'm starting back from 2010, where it gives this estimate—

SABRI: Okay.

APPELLANTS' ATTORNEY: —which is \$6,984.

SABRI: Correct.

APPELLANTS' ATTORNEY: Is that the same amount that [appellants] paid every month until [the district court's] order in November of 2013?

SABRI: Yes.

At summary judgment, M & S argued not only that appellants paid additional rent but also that they were obligated to do so under the lease agreement and based on the 2011 judgment.

Because M & S offered no evidence to oppose appellants' assertion that they paid additional rent, we conclude that the district court erred in concluding that appellants failed to prove that they paid additional rent. But even if they established that they paid additional rent, appellants' burden requires them to prove that they *overpaid* in additional rent. We turn to that issue next.

B.

Appellants claim that they are entitled to reimbursement of additional rent paid between 2010 and 2013. The district court concluded that appellants failed to prove that they overpaid additional rent over the entire time period. From January 2010 to October

2010, the district court determined that the settlement agreement barred reimbursement of additional rent. From November 2010 to July 2013, it concluded that the 2011 judgment barred reimbursement of additional rent paid based on the law-of-the-case doctrine. With respect to the months after July 2013, the district court concluded that appellants failed to provide any evidence that they paid additional rent. Appellants only challenge the district court's conclusion that the law-of-the-case doctrine barred recovery of damages from November 2010 to July 2013. "No deference is given to a lower court on questions of law." *Modrow v. JP Foodservice, Inc.*, 656 N.W.2d 389, 393 (Minn. 2003).

The law-of-the-case doctrine provides that a competent court's "decision should continue to govern the *same issues* in subsequent stages in the *same case*." *In re Welfare of M.D.O.*, 462 N.W.2d 370, 375 (Minn. 1990). It "is a rule of practice, not of substantive law." *Braunwarth v. Control Data Corp.*, 483 N.W.2d 476, 476 n.1 (Minn. 1992). Generally, it does not apply to a district court's decisions in earlier cases. *Kornberg v. Kornberg*, 542 N.W.2d 379, 386 & n.2 (Minn. 1996) (concluding that one district court judge has the authority to amend a different district court judge's order related to the same case). Instead, the law-of-the-case doctrine "commonly applies to issues decided in earlier stages of the same case." *M.D.O.*, 462 N.W.2d at 375.

Appellants maintain that the law-of-the-case doctrine is inapplicable because the 2011 judgment is not part of this case on appeal. The 2011 judgment was a final judgment on court file number 27-CV-HC-11-399. This appeal stems from a final judgment on court file number 27-CV-14-14925. Because these are not the same cases, we conclude that the law-of-the-case doctrine does not apply.

Notwithstanding that conclusion, the district court did not err in determining that appellants failed to prove damages. “[T]he appropriate measure of damages for breach of contract is that amount which will place the plaintiff in the same situation as if the contract had been performed.” *Peters v. Mut. Benefit Life Ins. Co.*, 420 N.W.2d 908, 915 (Minn. App. 1988). Here, the record demonstrates that appellants paid additional rent, but not that they *overpaid* additional rent. To prove damages for their breach-of-lease claim, appellants were required to demonstrate that the amount of additional rent that they paid exceeded the amount of additional rent that was agreed to in the lease.

We affirm the district court’s dismissal of appellants’ breach-of-lease claim. Although appellants paid additional rent during the relevant time period of the claim, the district court properly held that appellants did not meet their burden of proving damages because they did not demonstrate that they overpaid additional rent. We reverse the district court’s denial of appellants’ partial motion for summary judgment on M & S’s breach-of-the-settlement-agreement claim. Collateral estoppel precludes M & S from relitigating the issue of whether M & S has standing to sue under the settlement agreement because the district court adjudicated the issue in 2013.

Affirmed in part and reversed in part.