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Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A20-0872**

In re the Estate of:
Shirley Joy Pratt, Deceased.

**Filed February 22, 2021
Affirmed
Cochran, Judge**

Ramsey County District Court
File No. 62-PR-18-70

John A. Wehrly, Steinhagen & Crist, P.L.L.P., Minneapolis, Minnesota; and

Teresa B. Molinaro, Molinaro Davis Law P.L.L.C., Burnsville, Minnesota (for appellant
Deanne L. Pratt)

Elizabeth C. Henry, Francis J. Rondoni, Chestnut Cambronne P.A., Minneapolis,
Minnesota (for respondents Mary J. Aadland and Richard L. Pratt Jr.)

Considered and decided by Slieter, Presiding Judge; Jesson, Judge; and
Cochran, Judge.

NONPRECEDENTIAL OPINION

COCHRAN, Judge

Appellant challenges the district court's distribution of her mother's estate, arguing that the district court erred by: (1) disregarding the will, (2) erroneously applying the law of advancements, and (3) violating the homestead exemption. Because the district court properly concluded that appellant had already received her share of the estate under the

will and appellant's remaining arguments do not require reversal, we affirm the district court's order distributing the remainder of the estate to appellant's siblings.

FACTS

The following summarizes the district court's findings of fact and the evidence received at trial. Shirley Joy Pratt died on April 19, 2017. Predeceased by her husband Richard, Shirley's four children survived her: Richard Pratt Jr., Mary Aadland, John Pratt, and appellant Deanne Pratt.¹ Respondents Richard and Mary are Shirley's stepchildren. John and Deanne are her biological children. All four children were raised by Richard and Shirley as their own.

Shirley executed a will in 2014 which stated that all of the property and residue of her estate would be divided equally between the four siblings. In November 2016, Shirley's estate contained cash assets of approximately \$121,000, a motor vehicle, and a condominium (the St. Paul Condo), which was valued at approximately \$300,000.

Shirley suffered from many health problems towards the end of her life. In 2012, Shirley fell and broke her right leg and femur. By 2014, she was diagnosed with mild dementia and was prone to confusion. Shirley continued to decline both physically and cognitively throughout 2015 and 2016. She had to be hospitalized in August 2016 following another serious fall. Shirley required 24-hour supervision after recovering from this fall. In September 2016, Deanne moved into the St. Paul Condo with Shirley and assisted her with daily activities.

¹ Appellant's legal name is Deanne LaRue, but she went by Deanne Pratt for the purposes of the original action and this appeal.

Starting in 2014, well before Deanne moved in with Shirley, Shirley began paying Deanne \$1,000 each month in compensation for the care and companionship that Deanne provided. Deanne drove her mother to doctor's appointments and ran errands for her several times a week after Shirley stopped driving in 2014. These payments continued from 2014 through sometime in 2017, and totaled between \$36,000 and \$40,000.

In May 2016, Deanne contacted an attorney who had previously represented Shirley. Deanne informed the attorney that she was caring for her mother, who had Alzheimer's disease. Deanne also conveyed that she was worried about how this role might affect her own financial situation and asked for guidance on what she could do to ensure her own financial stability. Deanne was going through a divorce at that time and also was receiving Social Security Disability Income. In a subsequent phone message, Deanne informed the attorney that she was handling all of Shirley's finances and that she had questions about how to properly compensate herself for the time she spent caring for Shirley. The attorney referred Shirley, through Deanne, to Attorney Frasier, an attorney who specialized in elder law and long-term care planning.

In November 2016, Deanne met with Attorney Frasier alone. During the meeting, the two discussed how Shirley could preserve her estate. Deanne informed Attorney Frasier that she had been on Social Security Disability Income since she was diagnosed with Meniere's disease² in 2003. Attorney Frasier explained to Deanne that her disability provided a unique opportunity for Shirley to preserve her estate and begin receiving

² Meniere's disease can cause vertigo and dizzy spells, and is at times 100% incapacitating.

Medical Assistance by transferring her assets to Deanne. Ordinarily, a person cannot transfer assets to others at below market value and still qualify for Medical Assistance if the transfer occurs within less than a certain amount of time before the person applies for Medical Assistance. 42 U.S.C. § 1396p(c)(1)(A) (2018). But a person can transfer an unlimited amount of assets to a disabled child and still qualify for Medical Assistance. *Id.* (c)(2)(B)(iii) (2018). Attorney Frasier and Deanne also discussed that there was a significant question about whether Shirley had the capacity at that time to consent to a transfer of assets. Attorney Frasier advised Deanne to have a family meeting to inform her siblings of the estate preservation plan being considered. Deanne declined to do so. Attorney Frasier also advised Deanne to set up a personal services agreement with Shirley for the \$1,000 monthly payments that she was receiving. Despite this advice, Deanne never set up such an agreement.

In December 2016, Attorney Frasier met with both Deanne and Shirley. At this meeting, Shirley explained that she wanted to preserve her estate for her children and that she wanted Deanne to get more than her siblings because of the care that she provided. Shirley never suggested that her intention was for Deanne to retain all the assets. During the meeting, Attorney Frasier advised Deanne to set up a family investment agreement or family trust for any funds that Shirley transferred to her.

In January 2017, Attorney Frasier met with Deanne and Shirley again. The purpose of the meeting was for Shirley to sign a deed transferring the St. Paul Condo to Deanne so that Shirley could qualify for Medical Assistance. Prior to the deed transfer, Shirley transferred her cash assets to Deanne for this same purpose. The day after Shirley signed

the deed, she suffered another bad fall and was hospitalized. Shirley never returned to the St. Paul Condo prior to her death on April 19, 2017. Despite Attorney Frasier's advice to inform her siblings of the estate planning, Deanne failed to inform them that Shirley had transferred the cash assets and the St. Paul Condo to Deanne for the purpose of preserving the assets for the estate. Deanne also failed to inform her siblings of Shirley's intent that, after Deanne received compensation for the services she provided to Shirley before her death, the remaining assets would be divided equally among the four siblings.

In June 2017, Attorney Frasier wrote to all four siblings and notified them that for estate preservation purposes "the condominium and a cash account were transferred to Deanne." Attorney Frasier clarified that once Deanne had settled the taxes and expenses for the estate, "she [would] be in a position to make distributions in four equal shares from the balance of that cash account." Attorney Frasier also confirmed that "the condo ultimately will distribute in four equal shares." In December 2017, Attorney Frasier wrote to all four siblings again and indicated that she recently spoke with Deanne to discuss "a timeline for distribution of the remaining property."

In January 2018, Richard and Mary petitioned the Ramsey County District Court to probate Shirley's will, alleging that Deanne had acted contrary to the will in fulfilling her role as the estate's personal representative. They alleged that Deanne had not made any of the distributions discussed by Attorney Frasier and continued to live in the St. Paul Condo. The petitioners sought the appointment of Richard in Deanne's place as personal representative of Shirley's estate. The district court held a trial in February 2020 and made extensive findings of fact, none of which are disputed on appeal.

The district court found that before 2016, Shirley intended to split her estate equally among her children. The district court found that Shirley informed Attorney Frasier in 2016 that she wanted Deanne to receive “more than her siblings because of the additional care that [she] was providing.” But “[a]t no time in any of the discussions between Shirley and Attorney Frasier did Shirley indicate that she wanted Deanne to retain all of her assets.” Instead, the district court found that “it was Shirley’s specific understanding that the unequivocal transfer of her \$121,000 in cash assets and St. Paul Condo to Deanne was for the purpose of preserving the assets and preventing the dissipation of assets for nursing home care or other private home care.” The district court also found that “although the transfer was unequivocal, it was done with the specific understanding and intent that Deanne would then use her position to distribute those assets equally among her siblings.”

The district court further found that “Deanne has, in fact, kept and retained all of [Shirley’s] cash assets, has failed and refused to distribute any of those cash assets, has retained control and ownership of the St. Paul Condo, and has failed and refused to distribute any portion of the assets to her siblings.” The district court found that Deanne took this action “despite Shirley’s intentions, Deanne’s understanding of her mother’s intentions, and the purpose behind the transfer of assets to Deanne.” The district court noted that, prior to trial, Deanne had “depleted all of the \$121,000 in cash assets,” meaning the St. Paul Condo and Shirley’s vehicle were the only remaining assets of significant value. With regard to the vehicle, the district court found that Deanne “wrongfully transferred title to the vehicle to herself” after her mother’s death.

The district court determined that “Deanne failed to provide a reasonable explanation for her failure to distribute, or take any steps to distribute, the assets pursuant to the understanding and intent expressed at the time the estate planning was done,” and that “the only reasonable conclusion that can be drawn from Deanne’s refusal and failure to notify her siblings of the estate planning and transfer of assets is that she did so with the purpose of concealing Shirley’s intent from her other children.” The district court determined that “Deanne’s refusal to distribute” the assets was contrary to Shirley’s will.

The district court further found that “Shirley did not have the capacity to understand, and did not understand, that Deanne would be able to disinherit Shirley’s other three children.” And, the district court found

by clear and convincing evidence that Deanne exercised undue influence over her mother Shirley by having the cash assets of \$121,000 and the St. Paul Condo transferred to her, by providing Shirley the understanding and false assurance that she would follow her mother’s wishes and distribute those assets as her mother desired, when in fact she never intended to do so, and by failing to do so following her mother’s death.

Based on its finding that the transfer of the St. Paul Condo from Shirley to Deanne was the result of undue influence exerted by Deanne on Shirley, the district court voided the deed conveying the St. Paul Condo to Deanne. The district court declared the deed void in the interests of “[j]ustice and equity . . . to remedy the undue influence and unjust enrichment of Deanne.” The district court also declared Deanne unsuitable to serve as personal representative and appointed Richard as the new personal representative. The district court directed Richard to sell the St. Paul Condo and distribute the proceeds equally between himself, Mary, and John. The district court excluded Deanne from any

distribution of the remaining estate assets. The district court reasoned: “By virtue of the monthly payments received by Deanne, the use and transfer of title to the motor vehicle, and use and consumption of the \$121,000, Deanne has received all of her inheritance, including any additional amount she should have received for her service and care for Shirley.” Deanne now challenges the district court’s order directing Richard to sell the St. Paul Condo and distribute the proceeds of that sale to her siblings.

DECISION

On appeal, Deanne does not contest the district court’s conclusion that she exercised undue influence over her mother. Nor does she challenge the district court’s authority to void the deed and order the sale of the St. Paul Condo to redress the undue influence. Instead, she disputes the district court’s decision to exclude her from receiving any of the proceeds of the sale of the St. Paul Condo.

Deanne argues that the district court committed reversible error by: (1) disregarding the terms of the will, (2) applying the law of advancements to the will, and (3) terminating her right to her share of her mother’s homestead in violation of the homestead exemption. We address each argument in turn.

I. The district court ordered distribution of Shirley’s estate in accordance with her will.

Deanne argues that the district court violated its duty to order the personal representative to distribute Shirley’s estate in accordance with her will. *See* Minn. Stat. § 524.3-703(a) (2020) (providing that the personal representative shall distribute the estate in accordance with the will). She contends that “it is undisputed that the terms of

the decedent's Will require the personal representative to distribute the assets of the estate in four equal parts," including one-fourth to her. She maintains that the district court did not have the equitable authority to order that the proceeds of the sale of the St. Paul Condo be distributed to her siblings and not to her because the district court's order is contrary to the terms of Shirley's will.

We are not persuaded. We conclude that the district court's order was a proper exercise of its equitable authority, necessary to overcome the result of the undue influence that Deanne exerted upon Shirley. We also conclude that the district court's order furthered Shirley's intent as expressed by the will.

District courts have "original jurisdiction . . . in law and equity for the administration of estates of deceased persons." Minn. Stat. § 484.01, subd. 1(4) (2020); *see also* Minn. Const. art. VI, § 11. Minnesota has adopted the Uniform Probate Code, which further provides that, unless displaced, "the principles of law and equity supplement its provisions." Minn. Stat. § 524.1-103 (2020). Chapter 524 of the Minnesota Statutes states that the provisions of that chapter "shall be liberally construed and applied to promote the underlying purposes and policies," which include "discover[ing] and mak[ing] effective the intent of a decedent in distribution of property." Minn. Stat. § 524.1-102(a), (b)(2) (2020). And when hearing probate matters, a district court has "full power to make orders, judgments and decrees and take all other action necessary and proper to administer justice in the matters which come before it." Minn. Stat. § 524.1-302(b) (2020).

A district court sitting in equity "may fashion equitable remedies based on the exigencies and facts of each case so as to accomplish justice." *Gabler v. Fedoruk*,

756 N.W.2d 725, 730 (Minn. App. 2008) (quotation omitted). In such a case, the district court has “broad discretion when fashioning remedies.” *Id.* We “review equitable determinations for abuse” of that discretion. *City of N. Oaks v. Sarpal*, 797 N.W.2d 18, 23 (Minn. 2011). “A district court abuses its discretion if its ruling is against the facts in the record or if its decision is based on an erroneous view of the law.” *State ex rel. Swan Lake Area Wildlife Ass’n v. Nicollet Cty. Bd. of Comm’rs*, 799 N.W.2d 619, 625 (Minn. App. 2011) (quotation omitted).

The record supports the district court’s determination that its equitable authority was required to remedy the undue influence and unjust enrichment of Deanne. The district court made the following findings that are relevant to our consideration of whether the district court acted within its “broad discretion” in fashioning the remedy challenged here. First, the district court found that Shirley’s will reflected an intent for her estate to be split equally among her four children. Second, the district court found that in November 2016—before the transfers that stemmed from undue influence—Shirley had cash assets of \$121,000, a vehicle, and the St. Paul Condo. Third, the district court found that Shirley transferred her \$121,000 in cash assets and the St. Paul Condo to Deanne “for the purpose of preserving the assets and preventing the dissipation of [the] assets.” Fourth, the district court found that Deanne knew Shirley’s purpose in transferring the assets to her. Fifth, the district court found that Shirley wanted Deanne to receive more than her siblings as compensation for her services, but desired the remaining assets to be divided equally after factoring in additional compensation for Deanne.

The district court found that Deanne did not follow Shirley's wishes. Instead, Deanne spent all of the money in the cash account, transferred title to the vehicle to herself, and lived in the St. Paul Condo with no apparent plans to sell it and distribute the proceeds. Given the district court's findings regarding the value of Shirley's estate just before Deanne exercised undue influence upon her, the district court properly determined that Deanne received more than her share.³ And because Deanne does not challenge the district court's findings of fact on appeal, we accept those findings as true. *See Beliveau v. Beliveau*, 14 N.W.2d 360, 365 (Minn. 1944) ("We are bound to accept as verities the findings of fact . . . because appellant does not challenge the findings."). Consequently, the distribution ordered by the district court carries out Shirley's intent to the extent possible, given that Deanne had already received more than her share.

Deanne relies on two cases to support her contention that the district court disregarded Shirley's will. First, she cites *Laymon v. Minn. Premier Props., LLC*, for the proposition that "[a] personal representative is under a duty to see that the assets constituting the testator's estate are not diverted from the course prescribed by the testator." 903 N.W.2d 6, 14 (Minn. App. 2017) (quotation omitted), *aff'd*, 913 N.W.2d 449 (Minn. 2018). But Deanne does not contest the district court's finding that *she* diverted Shirley's estate assets from the course that Shirley prescribed. Read in context of the district court's

³ Based on the district court's findings as to the value of Shirley's estate before the transfers, a one-fourth share of that estate would be approximately \$103,825. After factoring in the care payments, cash assets, and conversion of Shirley's car, Deanne received between \$163,000 and \$167,000 of estate assets. Accordingly, the district court properly concluded that Deanne received her share and the additional amount that Shirley wanted her to receive.

equitable remedy here, *Laymon* cuts against Deanne’s argument because the district court’s order returns the remaining estate assets to the course prescribed by Shirley.

Second, Deanne cites *In re Cosgrave’s Will* for the proposition that a court “cannot change the rights of the beneficiaries inter se by enlarging the rights of some at the expense of others.” 31 N.W.2d 20, 33 (Minn. 1948). *Cosgrave* also does not support Deanne’s argument. In *Cosgrave*, the supreme court considered the propriety of trustees of a testamentary trust making additional payments to the testator’s widow beyond the payments contemplated by the trust. *Id.* at 23-24. The supreme court held that the trustees had contravened the intentions of the testator by making the additional payments. *Id.* at 26. Here, Deanne is in a similar position to the trustees in *Cosgrave*—and not the aggrieved beneficiaries—because she contravened Shirley’s intentions by failing to distribute the estate assets as she promised. The district court’s order does not “enlarge” the rights of the other beneficiaries to the will at Deanne’s expense because the order corrects Deanne’s wrongful diversion of estate assets to herself. Deanne sought to enlarge her own rights at the expense of her siblings’ rights, and the district court’s order remedies that inequity.

With *Laymon* and *Cosgrave* read in context, we have no trouble concluding that the district court properly exercised its equitable authority to redress Deanne’s undue influence and order the remainder of the estate distributed in accordance with Shirley’s will.

II. The district court did not rely on the law of advancements in its decision.

Deanne next argues that “the district court made it clear from its reasoning that it was applying the law of advancements” when it concluded that she “should be excluded from her share of the estate.” She argues that the district court committed reversible error

because the law of advancements applies only where the decedent dies intestate, meaning without a will. We are not persuaded that the district court used the law of advancements when it concluded that Deanne had already received her share of Shirley's estate.

The law of advancements applies where an individual who dies without a will has made gifts during their lifetime of property that would otherwise be part of their estate. Minn. Stat. § 524.2-109(a) (2020). In such a case, the gifts that the beneficiary received may be treated as an advancement of their intestate share, provided that the decedent or heir acknowledged in writing their intent to treat the gift as an advancement. *Id.*

Deanne is correct that the law of advancements applies only to intestate succession. *Id.* But Deanne provides no support for her argument that the district court relied on the law of advancements when it determined that she had already received her share of Shirley's estate. Moreover, the district court's order itself refutes Deanne's argument. The district court never referred to the law of advancements in its order. Instead, the district court concluded that "[j]ustice and equity require, in order to remedy the undue influence and unjust enrichment of Deanne," that the deed conveying the St. Paul Condo to Deanne be declared void. Read in context, it is plain that the district court used its equitable power, rather than the law of advancements, when it declared the deed void and when it further ordered that the proceeds of the sale of the St. Paul Condo be distributed to Deanne's siblings.⁴ Accordingly, Deanne's second argument is unavailing.

⁴ Richard and Mary argue that Deanne's exercise of undue influence over Shirley and the resultant transfers indebted Deanne to the estate, and that the district court offset that debt against her share under Minn. Stat. § 524.3-903 (2020). There are two problems with this argument. First, the district court never referred to Minn. Stat. § 524.3-903 in its order.

III. The homestead exemption does not apply.

Deanne's third argument is based on the homestead exemption set forth in the Uniform Probate Code. *See* Minn. Stat. § 524.2-402(c) (2020). Relying on the homestead exemption, she argues that the district court lacked authority to terminate her interest in Shirley's homestead because the decedent's "homestead is not a part of the estate for the purposes of administration." Deanne further argues that she has an "absolute right" in the homestead that "in no manner yields to principles of equity." She then argues that the effect of the district court's order voiding the deed is that "the decedent's homestead must now be distributed as part of the residue of the estate," and that she is entitled to one-quarter of the proceeds.

The homestead exemption of the probate code provides that "[i]f the homestead passes by descent or will to the spouse or decedent's descendants . . . it is exempt from all debts which were not valid charges on it at the time of decedent's death." *Id.* Deanne does not explain why this section of the Uniform Probate Code entitles her to claim a one-fourth share of the homestead despite the district court finding that she already received her full share of the estate. Moreover, the homestead exemption does not bar a district court from ordering the sale of a homestead as part of the distribution of an estate. *See In re Anderson's Estate*, 279 N.W. 266, 268 (Minn. 1938) (indicating that a homestead may

Second, the district court did not explicitly find that Deanne was indebted to the estate. For her part, Deanne argues that she cannot be indebted to the estate due to the cash account because that account would have automatically gone to her upon Shirley's death. But because Deanne does not challenge the district court's factual finding that the cash account was an estate asset, we do not reach this argument.

be sold if doing so is in the best interests of the beneficiaries); *Overvold v. Nelson*, 243 N.W. 439, 440-41 (Minn. 1932) (upholding the sale of a homestead, but concluding that the proceeds belonged to the testator's beneficiaries instead of her creditors). And the cases that Deanne relies upon to support her argument do not persuade us that Deanne has an absolute right to a share of the homestead.

First, Deanne cites *In re Estate of Van Den Boom*, 590 N.W.2d 350, 353 (Minn. App. 1999), *review denied* (Minn. May 26, 1999). In *Van Den Boom*, the district court ordered the sale of the homestead to pay estate expenses over the objection of beneficiaries who held a remainder interest in the homestead. 590 N.W.2d at 352. We reversed the district court's order because the estate expenses were not valid charges on the homestead, as those debts were not owed at the time of the decedent's death. *Id.* at 353-54. Here, the St. Paul Condo will be sold to distribute the estate, not to pay estate expenses. The only question is how the proceeds of the sale are to be divided, and *Van Den Boom* has no bearing upon that question.

Second, Deanne cites a nonprecedential case involving an appeal from a district court's order directing the personal representative of an estate to sell the homestead to pay estate expenses. *In re Estate of O'Neil*, No. A06-1224, 2007 WL 1191781, at *1-2 (Minn. App. Apr. 24, 2007). That case is likewise inapposite because it concerns the propriety of selling the homestead to pay administrative expenses, which is not at issue here.

Third, Deanne relies on *Tomlinson v. Kandiyohi Cty. Bank*, 202 N.W. 494, 495 (Minn. 1925). In *Tomlinson*, the issue involved the homestead right of a surviving spouse. 202 N.W. at 494-95. The supreme court concluded that "if the wife has been wrongfully

induced by fraud or deception to sign a release or conveyance of their homestead rights . . . she is entitled, in a court of equity, to have such a conveyance set aside.” *Id.* at 495. On that basis, the supreme court upheld the district court’s order voiding a mortgage on the homestead. *Id.* at 496. Because the *Tomlinson* court addressed the question of homestead rights in the context of a fraudulent conveyance, and Deanne was not the victim of a fraudulent conveyance, *Tomlinson* does not support Deanne’s argument that the district court lacked equitable authority to conclude that she is not entitled to proceeds from the sale of the St. Paul Condo.

Moreover, the district court here did not “terminate” Deanne’s interest in the homestead as she claims. While the district court did order that Deanne was “divested of any and all ownership rights in the St. Paul Condo,” that language must be read in context of the district court’s decision to void the deed conveying the St. Paul Condo to Deanne. Had Deanne received fewer assets from Shirley, she would be entitled to share in the proceeds of the St. Paul Condo. But, because of the assets that she already received, the district court properly concluded that Deanne had no right to any further estate assets. Having one’s share in an estate satisfied is different from having an interest in a homestead terminated.

In sum, Deanne has failed to demonstrate a basis for reversal of the district court’s order. The district court acted well within its discretion when it exercised its equitable authority to order that the remainder of Shirley’s estate be distributed to Deanne’s siblings.

Affirmed.