

*This opinion is nonprecedential except as provided by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
A22-1059**

Accredited Electrical Solutions, LLC, et al.,
Respondents,

vs.

PinPoint Homes, LLC,
Appellant,
Community Resource Bank, et al.,
Defendants.

**Filed February 27, 2023
Affirmed
Larson, Judge**

Ramsey County District Court
File No. 62-CV-20-1236

Scott A. Peitzer, Ryan R. Dreyer, Morrison Sund, P.L.L.C., Minnetonka, Minnesota (for respondents)

James Hurd Anderson, Stern & Anderson, P.A., Minneapolis, Minnesota (for appellant)

Considered and decided by Larson, Presiding Judge; Bratvold, Judge; and Gaïtas, Judge.

NONPRECEDENTIAL OPINION

LARSON, Judge

Appellant PinPoint Homes, LLC (PinPoint) challenges the district court's factual finding that respondent Accredited Electrical Solutions, LLC (Accredited) properly

completed contracted-for electrical work and the district court's award of attorney fees. We affirm.

FACTS

In December 2018, PinPoint purchased a six-unit residential building located in St. Paul, Minnesota, that required extensive rehabilitation (the property). Accredited entered an oral agreement with PinPoint to perform electrical work at the property. Accredited agreed to perform the electrical work for \$7,439.12. PinPoint agreed to pay Accredited half of that amount when Accredited finished the rough-in work¹ and the other half when Accredited completed the project.

Accredited received the first half of the agreed-upon amount from PinPoint after finishing the rough-in work. But Accredited did not receive the second \$3,719.56 payment after completing the project. About two months after sending PinPoint an invoice for the second half of the work, Accredited served PinPoint with a mechanic's lien statement and otherwise complied with the prerequisites to a mechanic's lien foreclosure action.

Accredited then sued PinPoint for breach of contract, unjust enrichment, and foreclosure of its mechanic's lien. Accredited sought the remaining \$3,719.56 for its work on the property. PinPoint counterclaimed against Accredited for slander of title. PinPoint also filed a third-party claim against respondent Day Construction, LLC, a contractor that worked on the property. Relevant to this appeal, the same attorney represented Accredited and Day Construction throughout these proceedings.

¹ The district court defined "rough-in work" as "work performed before the plumbing fixtures, cabinetry and drywall ha[s] been installed."

The district court held a bench trial and heard testimony from Accredited's owner, PinPoint's chief manager, Day Construction's owner, and a former PinPoint employee. Accredited's owner testified that Accredited properly completed the agreed-upon work at the property. In contrast, PinPoint's chief manager testified that PinPoint had to hire other contractors to complete Accredited's work and to fix Accredited's defective work. PinPoint presented invoices from those other contractors to the district court.

After receiving written closing arguments, the district court issued its order. The district court found Accredited's owner credible, PinPoint's chief manager's relevant testimony not credible, and PinPoint's invoices from other contractors "too general" to prove the contractors completed or fixed Accredited's work. The district court determined that (1) Accredited proved its claims against PinPoint; (2) PinPoint failed to prove its counterclaim against Accredited; and (3) PinPoint failed to prove its third-party claim against Day Construction. The district court decided Accredited was entitled to the \$3,719.56 PinPoint owed, plus costs, disbursements, and reasonable attorney fees. The district court set a timeline for the parties to submit motions about the specific amount owed.

Accredited submitted a request for \$22,887.61 in attorney fees. Accredited attached a spreadsheet detailing its attorney's billed hours, an affidavit from the attorney, and an expert witness's affidavit² supporting the claimed fees. The billing spreadsheet reflected the attorney, and his colleagues, spent "71.80" hours on this case. The billing spreadsheet

² Accredited submitted an affidavit from an attorney who has practiced law for 18 years, with 75% of his practice devoted to real-estate litigation.

did not delineate the work the attorney performed on behalf of Accredited from the work performed on behalf of Day Construction. PinPoint submitted a memorandum opposing Accredited's attorney fees request. PinPoint also moved the district court to amend its order, or in the alternative to hold a new trial.

The district court denied PinPoint's motions. In denying PinPoint's motions, the district court reasoned that PinPoint did not present newly discovered evidence or demonstrate a procedural flaw.

The district court also granted, in part, Accredited's request for attorney fees. The district court found "[t]he hours expended in securing the recovery and the hourly rate claimed are reasonable." The district court explained it "strongly suspect[ed] PinPoint Homes' attorney necessarily invested a similar amount of time and bills at a similar hourly rate." However, the district court decided Accredited was not entitled the full \$22,887.61 request because the attorney had "offered no evidence demonstrating either that [he] . . . separately billed Day [Construction] for certain work or that [he] . . . discounted the fee attributable to Accredited for work jointly benefitting Accredited and Day [Construction]." The district court noted that despite Day Construction prevailing, Day Construction was not entitled to attorney fees. The district court expressed that it "must exercise caution in determining that fees expended in representin[g] Day [Construction's] interest are not shifted onto Accredited's fee claim." Therefore, the district court reduced Accredited's request by 25% "in fairness," awarding \$17,165 in attorney fees.

This appeal follows.

DECISION

I.

PinPoint first argues that the district court clearly erred when it found Accredited properly completed PinPoint's electrical work and, therefore, was entitled to \$3,719.56. We are not persuaded.

A district court's findings of fact are given great deference and reviewed only for clear error. *Fletcher v. St. Paul Pioneer Press*, 589 N.W.2d 96, 101 (Minn. 1999); *see also* Minn. R. Civ. P. 52.01. "We will not conclude that a factfinder clearly erred unless, 'on the entire evidence,' we are 'left with a definite and firm conviction that a mistake has been committed.'" *In re Civ. Commitment of Kenney*, 963 N.W.2d 214, 221 (Minn. 2021) (quoting *N. States Power Co. v. Lyon Food Prods., Inc.*, 229 N.W.2d 521, 524 (Minn. 1975)). We will "neither reconcile conflicting evidence nor decide issues of witness credibility, which are exclusively the province of the factfinder." *Gada v. Dedefo*, 684 N.W.2d 512, 514 (Minn. App. 2004); *Gellert v. Eginton*, 770 N.W.2d 190, 196 (Minn. App. 2009) ("A district court, as finder of fact, is not required to believe even uncontradicted testimony if there are reasonable grounds to doubt its credibility."), *rev. denied* (Minn. Oct. 20, 2009). If there is reasonable evidence to support the district court's findings, we will not disturb them. *See Fletcher*, 589 N.W.2d at 102.

PinPoint claims that Accredited's owner had "questionable memory" and seemed "unsure" about what work Accredited completed after rough-in. The record, however, shows Accredited's owner testified he was "[m]ore than 100 percent" sure that Accredited completed the agreed-upon work. Accredited's owner testified he routinely visited the

property during the project and that he constantly communicated with his on-site technicians. Accredited's owner also testified that PinPoint never told Accredited about any defects, and that, despite providing PinPoint an invoice, Accredited never received final payment for its work on the property. The district court found this testimony "credible and corroborated by [Accredited]'s offered trial exhibits."

PinPoint also argues the district court ignored PinPoint's chief manager's testimony. But Pinpoint misstates the district court's findings. The district court specifically found the relevant parts of PinPoint's chief manager's testimony not credible, including that the invoices PinPoint presented were "too general" to support PinPoint's claims, and that "[PinPoint's chief manager's] testimony that Accredited's work was substandard or defective [was] pure speculation."

There is reasonable evidence to support the district court's findings. Additionally, the district court made explicit credibility determinations, and we do not "decide issues of witness credibility." *Gada*, 684 N.W.2d at 514. Plainly put, the district court believed Accredited's owner and did not believe PinPoint's chief manager.

Nothing in this record leaves us "with a definite and firm conviction that a mistake has been committed." *Kenney*, 963 N.W.2d at 221 (quotation omitted). Thus, the district court did not clearly err when it found Accredited properly completed the billed electrical work and, therefore, was entitled to \$3,719.56 from PinPoint. *Fletcher*, 589 N.W.2d at 102.

II.

PinPoint also argues the district court abused its discretion when it awarded Accredited \$17,165 in attorney fees. Under Minn. Stat. § 514.14 (2022), the district court has the discretion to award “reasonable attorney[] fees” to a lienholder as part of a mechanic’s lien foreclosure action. *Larson-Roberts Elec. Co. v. Burdick*, 127 N.W.2d 163, 164 (Minn. 1964). We review the amount of awarded attorney fees for an abuse of discretion. *Automated Bldg. Components, Inc. v. New Horizon Homes, Inc.*, 514 N.W.2d 826, 831 (Minn. App. 1994), *rev. denied* (Minn. June 15, 1994). “A district court abuses its discretion by making findings of fact that are unsupported by the evidence, misapplying the law, or delivering a decision that is against logic and the facts on record.” *Woolsey v. Woolsey*, 975 N.W.2d 502, 506 (Minn. 2022) (quoting *Bender v. Bernhard*, 971 N.W.2d 257, 262 (Minn. 2022)). “The reasonableness of the hours expended and the fees imposed raise questions of fact,” which we review for clear error. *Kaeding v. Auleciems*, 886 N.W.2d 658, 668 (Minn. App. 2016) (quotation omitted).

PinPoint contends that the district court erred when it found \$17,165 in attorney fees was reasonable because: (1) the attorney representing Accredited spent too much time on a simple case; (2) the fee award was disproportionate to the \$3,719.56 at issue in the case; and (3) the fees should have been more dramatically discounted for the attorney’s co-representation of Accredited and Day Construction. We address each argument in turn.

A. Time Spent on Representation

We first address PinPoint’s argument that the attorney representing Accredited did not reasonably expend 71.80 hours on this case. “The starting point for determining

reasonable attorney fees is the number of hours reasonably expended working on the case” *Musicland Group, Inc. v. Ceridian Corp.*, 508 N.W.2d 524, 535 (Minn. App. 1993), *rev. denied* (Minn. Jan. 27, 1994). When a party challenges the number of hours an attorney spent working on a case, “the district court must provide a concise but clear explanation of its reasons for the fee award.” *Milner v. Farmers Ins. Exch.*, 748 N.W.2d 608, 621 (Minn. 2008) (quotations omitted).

PinPoint argues that the attorney spent “excessive amount[s] of time” on various tasks. To support its argument, PinPoint highlights several entries from the billing spreadsheet. For example, PinPoint states that the attorney charged “3.2 hours for analyzing the mediator’s letter, which said nothing more than the parties should settle and presented some numbers to consider.” But the full entry provides that the attorney: “[r]eview[ed]/analyze[d] mediator’s proposal; draft[ed]/revise[d] correspondence to client; draft[ed]/revise[d] correspondence to mediator; draft[ed]/revise[d] Witness List and Exhibit Lists; review[ed]/analyze[d] scheduling and pretrial orders.” After reviewing PinPoint’s examples to support its claim that the attorney representing Accredited spent too many hours on this case, we conclude the record does not support PinPoint’s arguments.

Here, Accredited submitted material, including the billing spreadsheet, and the district court “provide[d] a concise but clear explanation of its reasons” why it found the billed hours reasonable. *Milner*, 748 N.W.2d at 621. Nothing in this record leaves us “with a definite and firm conviction that a mistake has been committed” regarding the hours

spent. *Kenney*, 963 N.W.2d at 221. Therefore, the district court did not clearly err when it found 71.80 hours reasonable. *Kaeding*, 886 N.W.2d at 668.

B. Proportionality of Attorney Fees

PinPoint next argues the district court's \$17,165 attorney-fees award was not reasonable because it was disproportionate to the \$3,719.56 at issue in the case. When awarding attorney fees in a mechanics' lien foreclosure action, the "award must bear a reasonable relation to the amount of the judgment secured." *Lyman Lumber Co. v. Cornerstone Constr., Inc.*, 487 N.W.2d 251, 255 (Minn. App. 1992) (quotation omitted), *rev. denied* (Minn. Aug. 4, 1992). But attorney fees are not excessive merely because they exceed the amount of the lien. *Kirkwold Constr. Co. v. M.G.A. Constr. Inc.*, 498 N.W.2d 465, 470 (Minn. App. 1993), *aff'd on other grounds*, 513 N.W.2d 241 (Minn. Mar. 11, 1994). "Limiting fees in such a manner would discourage small lienholders from pursuing valid claims through the legal system." *Id.*

PinPoint cites *Asp v. O'Brien* and its progeny to argue that the attorney fees awarded here are disproportionate to the contested lien amount. 277 N.W.2d 382, 385 (Minn. 1979). In *Asp*, the lienholder obtained a \$4,427 judgment and the district court awarded \$2,400 in attorney fees. *Id.* at 383. On appeal, the supreme court reduced the attorney fees to \$1,000, stating, "we are not inclined to allow the award of the full amount, particularly where the amount of the lien recovered is small in comparison to the attorney[] fees assessed." *Id.* at 385. The *Asp* court found this reduction necessary "especially [] in a case . . . where the property owner was successful in partially limiting the amount of recovery." *Id.* This case is distinguishable because PinPoint was not "successful in partially limiting the amount of

recovery.” *Id.*; see also *C. Kowalski, Inc. v. Davis*, 472 N.W.2d 872, 878 (Minn. App. 1991) (determining *Asp* did not control because plaintiff “prevailed in all respects on its mechanics’ lien claims”), *rev. denied* (Minn. Sept. 13, 1991). Instead, Accredited prevailed on all its claims, and PinPoint failed to prove its counterclaim or its third-party claim.

Further, we observe that proportionality is just one factor among many that the district court must consider when evaluating the proper attorney fees to award in a mechanics’ lien foreclosure action. *Jadwin v. Kasal*, 318 N.W.2d 844, 848 (Minn. 1982) (listing nine relevant factors, including “the value of the interest involved”). And we have affirmed similar disparities between awarded attorney fees and the contested lien amount in nonprecedential decisions where the district court appropriately weighed the relevant factors. See *Installed Bldg. Sols., LLC v. Allenburg*, No. A09-298, 2009 WL 5090337, at *7 (Minn. App. Dec. 29, 2009) (affirming an award of \$25,947.50 in attorney fees on a total lien recovery of \$9,527.50), *rev. denied* (Minn. Mar. 16, 2010); *K & S Heating, Air Conditioning & Plumbing, LLC v. Kramer*, No. A16-1505, 2017 WL 2224390, at *7 (Minn. App. May 22, 2017) (affirming an award of \$18,000 in attorney fees on a total lien recovery of \$3,600).³

Here, the district court appropriately weighed the proportionality of attorney fees. Its findings are not “against logic and the facts on record.” *Woolsey*, 975 N.W.2d at 506. Therefore, the district court did not abuse its discretion when it awarded attorney fees

³ *Installed Bldg. Sols., LLC* and *K & S Heating, Air Conditioning & Plumbing, LLC* are nonprecedential opinions, but they are cited for their persuasive value. See Minn. R. Civ. App. P. 136.01, subd. 1(c).

exceeding the disputed lien amount. *Automated Bldg. Components, Inc.*, 514 N.W.2d at 831; *Kirkwold Constr. Co.*, 498 N.W.2d at 470.

C. Reduction Based on Day Construction Representation

We finally reach PinPoint’s argument that the attorney fees should have been more dramatically discounted for the attorney’s co-representation of Accredited and Day Construction. Attorney fees are generally not recoverable absent a statutory or contractual basis for awarding them. *Dunn v. Nat’l Beverage Corp.*, 745 N.W.2d 549, 554 (Minn. 2008). As a lienholder, Minn. Stat. § 514.14 authorizes Accredited to recover attorney fees incurred in foreclosing its mechanic’s lien. *Larson-Roberts Elec. Co.*, 127 N.W.2d at 164 (holding that attorney fees are recoverable costs under the mechanics’ lien statute). Unlike Accredited, Day Construction undisputedly lacks a legal basis to recover attorney fees.

Our caselaw does not provide direct guidance on how a district court should adjust attorney fees when the same law firm represents two parties in the same suit and only one is entitled to attorney fees. However, we are guided by cases addressing how a district court adjusts attorney fees when a plaintiff only succeeds on some claims. *Musicland Grp., Inc.*, 508 N.W.2d at 535; *650 N. Main Ass’n v. Frauenshuh, Inc.*, 885 N.W.2d 478, 497 (Minn. App. 2016), *rev. denied* (Minn. Nov. 23, 2016). In those cases, like co-representation, the issue presented is that an attorney’s time is largely “devoted generally to the litigation as a whole, making it difficult to divide [the] hours expended.” *Musicland Grp., Inc.*, 508 N.W.2d at 535 (quotation omitted). In such circumstances, we have noted that “when there is a common core of facts” and “related legal theories” then “the fee award should not be reduced simply because the plaintiff failed to prevail on every contention

raised in the lawsuit.” *Id.* Yet, the district court has discretion, through its equitable power, to reduce the amount of awarded attorney fees to account for unsuccessful claims. *County of Dakota v. Cameron*, 839 N.W.2d 700, 712 (Minn. 2013) (holding that “[t]here is no precise rule or formula’ for applying the results-obtained factor, and a district court may either ‘attempt to identify specific hours that should be eliminated’ or ‘simply reduce the award to account for the limited success’” (quoting *Hensley v. Eckerhart*, 461 U.S. 424, 436–37 (1983))).

Here, the attorney did not clearly delineate the hours spent representing Accredited, the client entitled to attorney fees, from the hours it spent representing Day Construction, the client not entitled to attorney fees. The district court noted it “must exercise caution in determining that fees expended in representin[g] Day [Construction’s] interest are not shifted onto Accredited’s fee claim.” Thus, the district court decided to reduce Accredited’s claimed attorney fees by 25% “in fairness” since “Accredited did not produce evidence allowing for a more precise calculation.” But the district court “suspect[ed] that such reduction, if anything, overstate[d] the time expended in joint representation.”

PinPoint argues the district court should have further reduced Accredited’s awarded attorney fees because it relied on invoices that bundled the attorney’s co-representation. At oral arguments, PinPoint suggested that the district court should have reduced the awarded attorney fees by at least 50% because only one of the two parties was entitled to attorney fees. But “[t]here is no precise rule or formula” a district court must apply. *Cameron*, 839 N.W.2d at 712 (quotation omitted). Although it is best practice to clearly delineate billed hours between clients, the attorney’s representation of Day Construction

involved a “common core of facts” and “related legal theories.” *650 N. Main Ass’n*, 885 N.W.2d at 497 (quotation omitted). The investigation, discovery, litigation, and trial all related to the issues important to both Accredited and Day Construction—who paid whom, who hired whom, and whether there were construction defects. The district court appropriately recognized this overlap in representation but chose to invoke its equitable power to reduce the amount of attorney fees by 25% “in fairness.” *See Cameron*, 839 N.W.2d at 712. This decision does not constitute an abuse of discretion. *650 N. Main Ass’n*, 885 N.W.2d at 497.

For these reasons, the district court did not abuse its discretion when it awarded Accredited \$17,165 in attorney fees.

Affirmed.