

*This opinion is nonprecedential except as provided by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
A22-1188**

Russel D. Stueckrath, et al.,
Plaintiffs,

vs.

Charles Stueckrath,
Respondent,

State Bank of Bellingham, et al.,
Defendants,

vs.

Russel Stueckrath, et al.,
Third-Party Defendants,

Ivan J. Stueckrath,
Appellant.

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

Lac qui Parle County District Court
File No. 37-CV-18-131

Jon C. Saunders, Anderson Larson Saunders Klaassen & Dahlager, P.L.L.P., Willmar,
Minnesota (for respondent)

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Considered and decided by Connolly, Presiding Judge; Larkin, Judge; and Slieter,
Judge.

NONPRECEDENTIAL OPINION

LARKIN, Judge

In this family dispute over real property, appellant argues that the district court erred in determining a deed ambiguous regarding when certain lien interests attached and in granting reformation of the deed. We affirm.

FACTS

Duane and Margret Stueckrath were the parents of seven children: Charles, Russel, Michael, Ivan, Roy, Joel, and Joyce. The parents owned 242.5 acres of real property in Lac qui Parle County, Minnesota. In 2002, the parents executed a deed conveying that property to Charles. The deed, by its terms, was subject to the following liens:

Liens in favor of each of the following named persons in an amount equal to one-seventh (1/7) of the net sales price of the property (after taking into account any state or federal income taxes owing by grantee in connection with the sale of the property) if it is sold within one hundred eighty (180) days of the death of the survivor of Grantors and, if the property is not sold, one-seventh (1/7) of the net appraised value of the property (after taking into account any projected state or federal income taxes owing by Grantee in connection with the sale of the property) on the date of the death of the survivor of Grantors as determined by a certified appraiser selected by Grantee: Russel D. Stueckrath, Michael D. Stueckrath, Ivan J. Stueckrath, Roy H. Stueckrath, Joel A. Stueckrath and Joyce R. Stueckrath-Karges. The amount of the lien established pursuant to the appraisal shall be paid in full, without interest, within five (5) years of the date of the death of the survivor of Grantors. The foregoing liens shall be subordinate to any mortgage which Grantee may place upon the above described property during the life of the Grantors and the survivor of them.

Margret, the mother, died in 2005, and Duane, the father, died in 2013. At issue is whether the liens attached in 2002, at the time of the transfer of the property to Charles, or instead attached after the death of the surviving grantor, Duane, in 2013. This issue arose because Charles sold 60 acres of the property pursuant to a contract for deed to Michael Gloege for \$111,000 in May 2006. Thus, there is a dispute regarding whether the liens had attached at the time of that sale and, therefore, whether the lienholders have an interest in those sale proceeds.

In April 2018, Russel commenced the underlying suit against Charles, Gloege, and State Bank of Bellingham, seeking recovery of the amounts owed on the liens and other relief.¹ Russel's wife was later added as a plaintiff. Charles countersued, named his six siblings as defendants, and sought declaratory relief. Specifically, he sought an interpretation of the deed and an order declaring the parties' interests.

In February 2019, Charles moved for partial summary judgment, arguing that the deed unambiguously stated that the liens would only attach after the death of the surviving grantor. Russel and his wife also moved for summary judgment, arguing that under the unambiguous language of the deed the liens attached "immediately" and were in effect when the 60 acres were sold to Gloege. The district court denied the parties' motions for summary judgment, concluding that the deed was ambiguous as to when the liens attached.

In 2020, the district court held a court trial to resolve the ambiguity and received extrinsic evidence regarding the parents' intent. The evidence showed that the parents

¹ State Bank of Bellingham was later dismissed from the proceedings by stipulation.

feared losing the real property due to Duane's nursing home bills and therefore transferred the property to Charles to provide for their care. The district court found that the parents did not intend to provide the children with the real property "to the exclusion of their own care" and that the parents knew that they "may need to sell the real property if Duane['s] . . . care exceeded what they borrowed." The district court found no evidence that the parents "wanted the liens . . . to arise prior to [their] deaths . . . thereby requiring all of the Stueckrath children to sign off and agree in the event that any portion of the real property . . . were to be sold."

The district court found that Charles was involved in meetings with the parents regarding the deed and repeatedly talked with his parents about the deed. Charles believed that the liens would not attach until the death of both his parents. The district court found as follows: (1) Charles "provided documentation . . . accounting for all of the proceeds from the conveyance of the 60-acre parcel to . . . Gloege, as well as all other income generated by the real property," (2) Charles "provided check ledgers which showed the expenses and deposits paid and made respectively, the date of each transaction, the other party to the transaction, and the income generated from the real property," (3) Charles "provided loan ledger statements to allow for the tracking of the loan proceeds and the payments on the loans associated with the real property," and (4) Charles "provided detail of bills paid, including medical expenses; nursing home bills; farm expenses; and property insurance payments." The district court also found that Charles was diligent in following his parents' requests.

Based on its findings, the district court determined that the liens did not attach until the death of the surviving grantor, Duane, and, therefore, that the liens had not attached when Charles deeded the 60 acres to Gloege. The district court concluded that Charles owed each sibling “a one-seventh interest in the value of the remaining 182.5 acres.”

At the end of its order, the district court noted that Charles raised the issue of deed reformation in his closing argument and that the issue had not been raised in the pleadings or addressed earlier at trial.² The district court recognized that it may rule on issues impliedly raised by the parties, but it determined that the issue of deed reformation needed “further analysis and response by the parties.” It therefore reserved the issue. The district court scheduled an evidentiary hearing for October 13, 2021, to address the reformation issue.

On October 5, 2021, Ivan, Joel, and Joyce moved to compel discovery,³ asking that Charles be ordered to respond to interrogatories served in August 2021. The interrogatories concerned Charles’s financial documents and financial information about the property. The attorney for Ivan, Joel, and Joyce argued that the financial information was necessary “as the only outstanding issues seem to be as follows: (1) whether it is equitable for Charles[’s] individual [c]apital [g]ains [t]ax obligation to be shared by the siblings; and (2)

² In his proposed findings, Charles requested deed reformation “so as to require the sale of the property, require the mortgage(s) to be paid, require the capital gains tax to be calculated and paid, require the normal closing expenses to be paid, and require the balance to be split seven ways between the seven Stueckrath children.”

³ While the motion was titled as coming from the third-party defendants, that is, all six siblings, the motion was made by attorney Douglas D. Kluver, who represented only Ivan, Joel, and Joyce.

whether the mortgage currently encumbering the property, was proper and should have been paid off by the income from the land prior to sale.”

At the evidentiary hearing on October 13, 2021, none of the siblings presented evidence or argument regarding Charles’s request for reformation. Instead, Ivan, Joel, and Joyce presented argument on their motion to compel discovery. In January 2022, the district court denied the motion to compel discovery, finding that the requested financial information had “already been submitted into the record.” Following the January 2022 order, Charles requested “a final order on the issue of [r]eformation.” In February 2022, the district court adopted Charles’s proposed reformation language and reformed the deed as follows:

In accordance with the intentions of the Stueckrath Parents, the 2002 Quit Claim Deed shall be **REFORMED** so as to require the sale of the property for a price and to a purchaser totally within the discretion of Charles Stueckrath. From the gross sale price, all closing costs shall be deducted, all mortgages shall be paid, an estimate of any resulting capital gains tax owed by Charles Stueckrath resulting from the sale shall be withheld from the proceeds, and the balance shall be split seven ways between the seven Stueckrath children. Once Charles Stueckrath calculates his actual capital gains, and pays that amount, providing proof to his siblings, any remaining amount of the sale proceeds shall be split evenly between all seven Stueckrath children.

On March 10, 2022, Ivan, Joel, and Joyce moved for a new trial or amended findings. In June 2022, the district court denied the motion as untimely. Ivan appeals.

DECISION

I.

Ivan challenges the district court's determination that the deed is ambiguous, arguing that the deed's mortgage-subordination language indicates that the liens attached when the parents deeded the property to Charles.

“[O]nly if a deed is ambiguous can evidence other than its language be considered to determine its meaning.” *Danielson v. Danielson*, 721 N.W.2d 335, 338 (Minn. App. 2006). “A deed is ambiguous if, judged by its language alone and without resort to extrinsic evidence, it is reasonably susceptible to more than one meaning.” *Id.* (quotation omitted). We review de novo whether a deed is ambiguous. *Id.* “Where the intent of the parties is totally ascertainable from the writing, construction is for the court.” *Mollico v. Mollico*, 628 N.W.2d 637, 641 (Minn. App. 2001) (quotation omitted). In construing a deed, the language is to be considered as a whole. *State v. Hess*, 684 N.W.2d 414, 423 (Minn. 2004).

Ivan relies on the following language in the parents' deed: “The foregoing liens shall be subordinate to any mortgage which Grantee may place upon the above described property during the life of the Grantors and the survivor of them.” Ivan argues that “there would be no need to include a mortgage subordination clause unless the sibling liens attached immediately after execution of the Deed.”

The subordination clause suggests that the liens attached when the deed was executed. It implies that the liens were in effect during the lives of the grantors and that there was a need to subordinate those liens to any mortgages taken out by Charles during that time. But the subordination clause could also reasonably be read as simply clarifying

that Charles could mortgage the property during the life of the grantors and that when the liens arose after the death of the grantors, those liens were subordinate to any existing mortgages. Thus, the subordination clause does not foreclose a second reasonable interpretation that the liens did not attach until after the death of the surviving grantor. Moreover, under the language of the deed, the lien amounts were not to be established until after the death of the grantors and nearly all of the deed language concerns actions to occur after the death of the grantors.

In sum, we conclude that the district court did not err by determining that the deed was ambiguous.⁴ Indeed, in this case, separate parties moved for summary judgment, each arguing that the contract was unambiguous and each setting forth a reasonable interpretation consistent with their position, suggesting ambiguity.

II.

Ivan argues that the district court erred in reforming the deed because the issue was not pleaded or litigated and because the district court “made no finding of a prima facie case for equitable relief, refused to compel disclosure necessary to defend the reformation, and . . . failed to receive evidence regarding the equitable relief sought.”

“[R]eformation of a written agreement is available when parties reached an agreement, attempted to reduce it to writing, but failed to express [the agreement] correctly in the writing.” *SCI Minn. Funeral Servs., Inc. v. Washburn-McReavy Funeral Corp.*, 779 N.W.2d 865, 870 (Minn. App. 2010), *aff’d*, 795 N.W.2d 855 (Minn. 2011). Using its

⁴ Ivan does not challenge the district court’s resolution of that ambiguity or the district court’s post-trial findings supporting its determination of the issue.

equitable powers, a district court may reform a written instrument, including a deed, when it is proved that

(1) there was a valid agreement between the parties expressing their real intentions; (2) the written instrument allegedly evidencing the agreement failed to express the real intentions of the parties; and (3) this failure was due to a mutual mistake of the parties, or a unilateral mistake accompanied by fraud or inequitable conduct by the other party.

Theros v. Phillips, 256 N.W.2d 852, 857 (Minn. 1977).

“The evidence supporting reformation of a written instrument, including a deed, must be consistent, clear, unequivocal, and convincing.” *Id.* We review a district court’s findings on the issue of reformation for clear error. *Id.*

Ivan argues that the issue of reformation was neither pleaded nor litigated in district court. However, the issue was not litigated because Ivan did not oppose the proposed reformation when he had the opportunity to do so at the evidentiary hearing on October 13, 2021. As the district court noted in its post-trial order, the district court reserved its determination on Charles’s request for reformation, which was made in his closing argument at trial. By reserving the issue, the district court allowed “any party to object to the request” for reformation or present argument as to why the issue of reformation was not properly before the court. Indeed, the intended purpose of the October 13 evidentiary hearing was to receive “any additional testimony, documents, or legal arguments” regarding Charles’s request for reformation. Yet, “No such evidence was provided.” The district court therefore granted the request for reformation “without additional hearing.”

Although Ivan, Joel, and Joyce subsequently moved for a new trial or amended findings, arguing that Charles had “used reformation to create an unjust enrichment,” the district court deemed the motion for a new trial or amended findings untimely, and Ivan does not challenge that determination on appeal.

“Appellants must preserve objections and provide an adequate record to afford appellate review.” *In re Estate of Magnus*, 436 N.W.2d 821, 822 (Minn. App. 1989). “It has long been the law in Minnesota that an appellate court may not grant relief never requested in the [district] court.” *Id.* at 823. Moreover, “a party cannot complain about a district court’s failure to rule in [his] favor when one of the reasons it did not do so is because that party failed to provide the district court with the evidence that would allow the district court to fully address the question.” *Eisenschenk v. Eisenschenk*, 668 N.W.2d 235, 243 (Minn. App. 2003), *rev. denied* (Minn. Nov. 25, 2003).

Ivan did not preserve his challenge to the reformation by presenting evidence at the scheduled evidentiary hearing or a timely argument that would have enabled the district court to rule in his favor. Even though the district court reserved the issue of reformation and provided Ivan an opportunity to oppose it, he failed to do so. Ivan cannot now complain that the district court did not make findings in his favor on the issue of reformation. Nonetheless, in the interest of thorough review, we briefly address Ivan’s arguments that the district court erred in granting reformation.

Ivan cites *Nichols v. Shelard National Bank* and argues that a district court must “first determine[] whether a prima facie case has been made sufficient to invoke the consideration of equitable relief in the first place.” 294 N.W.2d 730 (Minn. 1980).

Although *Nichols* stands for the proposition that the requisite elements must be satisfied for reformation to occur, the case does not state that the district court must make a threshold finding of a prima facie case before granting reformation. *See id.* at 734 (stating that a written instrument may be reformed if certain elements are “proved,” and concluding that the record did not support the district court’s order for reformation).

Ivan also argues that the district court refused to compel disclosures necessary to oppose reformation. In denying the request for compelled disclosure, the district court reasoned that the requested financial information had “already been submitted into the record.” Ivan does not dispute that finding. And he does not explain how he was prejudiced by the district court’s ruling given that the requested documents were already available to him. Any error is therefore harmless and must be ignored. *See* Minn. R. Civ. P. 61 (requiring courts to disregard harmless error).

Lastly, Ivan argues that the district court “held no evidentiary hearing prior to signing Charles’[s] proposed order granting reformation” and failed to receive evidence regarding the request for reformation. The record refutes that argument. The district court’s order granting reformation states that the court reserved the issue of reformation to allow “any party to object to the request,” that the court held an evidentiary hearing on October 13, 2021, “where any additional testimony, documents or legal arguments were to be made concerning Charles’s . . . request for reformation,” and that “[n]o such evidence was provided.”

Thus, Ivan has not demonstrated that the district court erred in ordering reformation.

Affirmed.