

*This opinion is nonprecedential except as provided by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
A23-0267**

Eddie Hudson, III,
Appellant,

vs.

Corvel Corporation, et al.,
Respondents,

Fields Law Office Ltd, et al.,
Respondents,

XL Specialty Insurance Company,
Respondent.

**Filed September 11, 2023
Affirmed
Halbrooks, Judge***

Hennepin County District Court
File No. 27-CV-22-11399

Eddie Hudson, III, Richfield, Minnesota (pro se appellant)

Ellen Brinkman, David Schooler, Luke Wolf, Gordon Rees Scully Mansukhani, LLP,
Minneapolis, Minnesota (for respondents Corvel Corporation, et al.)

Steven J. Sheridan, Jenna Bergman, Fisher, Bren & Sheridan, L.L.P., Minneapolis,
Minnesota (for respondents Fields Law Office Ltd, et al.)

Leah N. Kippola-Friske, William Hittler, Nilan, Johnson, Lewis, P.A., Minneapolis,
Minnesota; and

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to
Minn. Const. art. VI, § 10.

Jeffrey C. Gerish (pro hac vice), Plunkett Cooney, Bloomfield Hills, Michigan, (for respondent XL Specialty Insurance Company)

Considered and decided by Wheelock, Presiding Judge; Larkin, Judge; and Halbrooks, Judge.

NONPRECEDENTIAL OPINION

HALBROOKS, Judge

Appellant challenges the district court's dismissal of all respondents based on the statute of limitations. Because the district court did not err when it determined that the statute of limitations had elapsed for all of appellant's claims, we affirm.

FACTS

On April 16, 2014, appellant Eddie Hudson, III was injured in a work-related accident while employed as a truck driver by respondent Trillium Staffing (Trillium). Following the crash, Hudson received treatment for three categories of injuries: (1) injuries to his neck and low back, (2) a traumatic brain injury, and (3) psychological injuries. During this period, respondent Corvel Corporation (Corvel) managed Hudson's benefit payments.

On September 26, 2014, Hudson began pursuing a workers' compensation claim. Hudson retained respondent Kristen Gyolai as counsel for this claim. At the time, Gyolai worked for respondent Fields Law Firm (Fields). On March 10, 2015, during a hearing held by a workers' compensation judge, Hudson terminated Gyolai's representation. The following day, Gyolai and Fields filed an attorney's lien of \$18,134.90 against Hudson's potential workers' compensation award.

Despite the workers' compensation judge providing Hudson with additional time to obtain new counsel and complete discovery, Hudson did not obtain another attorney and, instead, negotiated a settlement with Trillium and respondent XL Specialty Insurance Company (XL) himself. During negotiations, Hudson communicated with respondent James Helling, the attorney who represented Trillium and XL. As a result of mediation, the parties signed a stipulation for settlement (the stipulation) in late June 2015. The stipulation provided that Trillium and XL would pay Hudson a lump sum of \$125,000, \$10,722.65 of which would be paid to Fields to settle the attorney's lien. As noted by the district court, the stipulation included the following provisions:

XIII. IT IS STIPULATED AND AGREED that the employee is aware and fully appreciates that he is entitled to legal counsel/representation of his choosing.

XIV. IT IS STIPULATION AND AGREED that the employee has not relied upon any representations by employer, employer's insurer, employer's third-party administrator for workers' compensation benefits, employer's counsel, or any representative of employer in reaching any decision in terms of whether or not he should or should not proceed without legal counsel or whether he should or should not enter into this Stipulation for Settlement.

XV. IT IS STIPULATED AND AGREED and fully understood and appreciated by the employee that he has knowingly, willing[ly], and voluntarily chosen to enter into this Stipulation for Settlement with the employer and insurer without the benefit of legal counsel.

Before the end of June, the workers' compensation judge filed an award on stipulation. The award noted in part: "The Compensation Judge has reviewed and found the Stipulation to be in substantial accord with the terms and provisions of the Minnesota

Workers' Compensation Law pursuant to Minn. Stat. § 176.521, subd. 2 and is hereby approved." Trillium and XL paid the stipulated amount on July 7, 2012.

Following the award on stipulation, Hudson applied to several government agencies for benefits, which found he met the disability standards to receive benefits. According to the record, the earliest of these determinations occurred on April 29, 2016. On that date, the State Medical Review Team (SMRT) indicated that Hudson met the "disability standards" and that his "start date is 1/1/2016." SMRT also suggested Hudson apply for Social Security benefits. Hudson did apply for Social Security benefits and received a "fully favorable" decision on September 7, 2017. This decision found that Hudson "has been disabled under [various sections] of the Social Security Act since November 3, 2015." As a result, Hudson is entitled to Social Security disability insurance benefits.

On August 1, 2022, Hudson filed the complaint in this matter.¹ The complaint asserted claims of civil fraud, conversion, breach of contract, and intentional or negligent

¹ This is not Hudson's first action attempting to vacate the stipulation or arguing respondents engaged in fraudulent behavior outcomes. Like in the current matter, Hudson acted pro se in the previous matters.

On July 7, 2016, Hudson petitioned the Minnesota Workers' Compensation Court of Appeals (WCCA) to set aside the stipulated award. According to the WCCA, Hudson argued that "he had no choice but to settle his case because he needed the money." Hudson also contended that Trillium and XL "took advantage of [Hudson's] reading and comprehension issues, and the fact that he was not represented by legal counsel." The WCCA vacated the award due to Hudson demonstrating a "substantial change in medical condition." But the Minnesota Supreme Court reversed the WCCA's decision, concluding that the WCCA abused its discretion when it vacated the award based on expert medical opinion that lacked foundation. *See Hudson v. Trillium Staffing*, 896 N.W.2d 536, 540-41 (Minn. 2017).

infliction of emotional distress, all stemming from the stipulation. Hudson principally alleged that Corvel, Trillium, and XL phrased the stipulation in a manner that limits the government benefits he may receive and that they deliberately misrepresented Hudson's wages when determining his workers' compensation benefits claim. Hudson also alleged that, due to Gyolai and Field's "illegally large" lien, he was "prevented from getting other lawyers to examine his claim" and, therefore, he "had to rely on [respondent] James K Helling for legal advice, even though Helling was the attorney for Trillium and [XL]." On September 20, 2022, Hudson filed an amended complaint that expanded his allegations but remained focused on the negotiations culminating in the stipulation. The amended complaint alleged that Gyolai and Helling participated in the alleged malfeasance because they "knew from the beginning that they failed to calculate [Hudson's] benefits based on his actual wages."

Gyolai, Fields, and Helling moved to dismiss for "insufficiency of service of process" and "failure to state a claim upon which relief can be granted." *See* Minn. R. Civ. P. 12.02(d), (e). Respondents also contended that Hudson's claims were barred by the six-year statute of limitations contained in Minn. Stat. § 541.05, subd. 1 (2022). Hudson's guardian argued at the motion hearing that the respondents knew that Hudson needed a

On September 10, 2019, Hudson sued respondents in the U.S. District Court for the District of Minnesota, alleging many of the same claims as in the current matter. The U.S. District Court dismissed Hudson's case for lack of subject-matter jurisdiction. *Hudson v. Trillium Staffing*, Civ. No. 19-2492 (PAM/DTS), 2020 WL 2042903, at *2 (D. Minn. April 28, 2020).

guardian prior to the stipulation and, as a result, the statute of limitations should have been tolled until Hudson received a legal guardian.

The district court granted the motions to dismiss the claims against Gyolai, Fields, and Helling. In determining that the statute of limitations had elapsed, the district court noted that “all of [Hudson’s] causes of action arise from the stipulation agreement signed on June 24, 2015, and the settlement award paid on July 7, 2015.” Therefore, the district court determined:

Regardless of whether the cause of action arose on the date of signing, the date the award was paid, or on July 7, 2016, when [Hudson] petitioned to vacate the award, [Hudson’s] commencement of the action in this Court on August 1, 2022 is well beyond the statute of limitations period.

The district court concluded by saying that “although [Hudson] suffers from a traumatic brain injury, [Hudson] has not alleged any facts that would toll the statute of limitations under Minn. Stat. § 541.15.”

Corvel, Trillium, and XL subsequently moved to dismiss Hudson’s complaint based on the statute of limitations. The district court held an additional hearing to address the motions and granted the motions.

This appeal follows.

DECISION

Hudson, acting pro se,² challenges the district court order dismissing his claims against respondents. Hudson argues the district court erred when it determined that the

² Hudson represented himself before the district court and continues to do so before this court. “Although some accommodations may be made for pro se litigants, this court has

statute of limitations for his claims had elapsed,³ and he contends that the statute of limitations should have been tolled until he was appointed a guardian.

We review de novo a district court's dismissal for failure to state a claim. *Walmart Inc. v. Winona County*, 963 N.W.2d 192, 196 (Minn. 2021). "A party fails to state a claim under Rule 12.02(e) when its complaint does not set forth a legally sufficient claim for relief." *Id.* (quotation omitted). In reviewing a dismissal under Minn. R. Civ. P. 12.02(e), we "accept facts alleged in the complaint as true and construe all reasonable inferences in favor of the nonmoving party." *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 606 (Minn. 2014). Similarly, we "review de novo the construction and application of a statute of limitations, including the law governing the accrual of a cause of action." *Sipe v. STS Mfg., Inc.*, 834 N.W.2d 683, 686 (Minn. 2013) (quotation omitted); *see also Hansen v. U. S. Bank*

repeatedly emphasized that pro se litigants are generally held to the same standards as attorneys and must comply with court rules." *Fitzgerald v. Fitzgerald*, 629 N.W.2d 115, 119 (Minn. App. 2001); *see also Heinsch v. Lot 27*, 399 N.W.2d 107, 109 (Minn. App. 1987) (noting that "[p]ro se litigants are generally held to the same standards as attorneys" and that "[u]nfamiliarity with procedural rules is not good cause to excuse *untimely action*" (emphasis added)); *Mellett v. Fairview Health Servs.*, 634 N.W.2d 421, 423-25 (Minn. 2001) (affirming the dismissal of claims because pro se litigant failed to bring action within statute of limitations). Pro se litigants, like those represented by attorneys, must support their claims with "either arguments or citations to legal authority." *State v. Bartylla*, 755 N.W.2d 8, 22 (Minn. 2008).

³ Hudson also appears to argue: (1) the attorney lien filed by Gyolai and Fields was "excessively large"; (2) Gyolai improperly signed the stipulation for settlement; and (3) Corvel, Trillium, and XL "falsified income information on several forms submitted to the Minnesota Department of Labor and Industry." Since we conclude the district court did not err when it determined that the statute of limitations had elapsed for all of Hudson's claims, we decline to address Hudson's other arguments. *See Harris v. State*, 289 N.W.2d 725, 727 (Minn. 1980) ("We need not reach the merits of plaintiffs' claim because it is barred by the statute of limitations.").

Nat'l Ass'n, 934 N.W.2d 319, 325 (Minn. 2019) (“When a motion to dismiss is based on the running of a statute of limitations, we have followed this same general rule: look to the facts alleged in the complaint, accept those facts as true, and construe inferences from those facts in favor of the plaintiff.”).

Pursuant to Minn. Stat. § 541.05, subd. 1, causes of action for breach of contract, fraud, conversion, and negligent infliction of emotional distress must be commenced within six years.⁴ “We have consistently held that the statute begins to run when the cause of action accrues, that is, when the plaintiff can allege sufficient facts to survive a motion to dismiss for failure to state a claim upon which relief can be granted.” *Antone v. Mirviss*, 720 N.W.2d 331, 335 (Minn. 2006).

Minnesota follows the “some damage” rule to determine when a cause of action accrues. *Hansen*, 934 N.W.2d at 327. “That rule requires that ‘some damage’ has occurred as a result of the alleged negligence, but does not require that a prospective plaintiff be aware of all the operative facts giving rise to a cause of action.” *Id.* (quotation omitted). “Some damage” may be “created either by financial liability or the loss of a legal right.” *Id.* at 328 (quotation omitted); *see also Harne v. State*, No. A14-1985, 2015 WL 4523895, at *2 (Minn. App. June 29, 2015) (affirming order to dismiss based on elapsed statute of limitations and noting that accrual of the cause of action began at the time of settlement

⁴ A claim of intentional infliction of emotional distress is subject to a two-year statute of limitations under Minn. Stat. § 541.07(1) (2022). *See Christenson v. Argonaut Ins. Cos.*, 380 N.W.2d 515, 518 (Minn. App. 1986) (“Actions for intentional personal injury are governed by Minn. Stat. § 541.07(1), which imposes a two-year statute of limitations.”), *rev. denied* (Minn. Mar. 27, 1986).

because “the settlement itself . . . extinguished appellants’ claims”), *rev. denied* (Minn. Sept. 15, 2015).⁵

Because all of Hudson’s claims arise from the stipulation agreement that was signed by the parties in late June 2015, and approved by the workers’ compensation judge before the end of June, the district court did not err when it determined that Hudson’s claims are time-barred. Hudson’s complaint clearly indicates that the stipulation “resolved his claims but harmed him in several ways and will continue to harm him until it is vacated.” Hudson expanded on this harm by saying “[s]everal benefits under Minnesota Worker’s Compensation laws, including loss of income, personal injury, and medical care, were not included in the stipulated agreement” as well as “the verbiage [respondents] left out of the Stipulation is causing [Hudson] harm to his . . . and . . . his minor son’s past and current benefits.” These statements establish that “some damage” occurred at the time of the stipulation. As a result, that is when Hudson’s cause of action accrued. *See Hansen*, 934 N.W.2d at 327. Absent some evidence that would toll the statute of limitations, the statute of limitations for Hudson’s claims expired before he filed this matter on August 1, 2022.

Hudson relies on several statutes that address the validity of a workers’ compensation settlement to contend that the statute of limitations should have been tolled until he was appointed a guardian. Minn. Stat. § 176.521, subd. 1(a) (2022), states that a workers’ compensation “agreement to settle any claim is not valid if a guardian or

⁵ *See* Minn. R. Civ. App. P. 136.01, subd. 1(c) (“Nonprecedential opinions . . . are not binding authority except as law of the case, *res judicata* or collateral estoppel, but nonprecedential opinions may be cited as persuasive authority.”).

conservator is required under section 176.092 and an employee . . . has no guardian or conservator.” Minn. Stat. § 176.092, subd. 1 (2022), indicates a guardian is required when “[a]n injured employee” is designated “an incapacitated person as that term is defined in section 524.5-102, subdivision 6.” An “[i]ncapacitated person” is defined as

an individual who, for reasons other than being a minor, is impaired to the extent of lacking sufficient understanding or capacity to make personal decisions, and who is unable to meet personal needs for medical care, nutrition, clothing, shelter, or safety, even with appropriate technological and supported decision[-]making assistance.

Minn. Stat. § 524.5-102, subd. 6 (2022). A guardian may be appointed if it is found by clear and convincing evidence that the subject of the guardianship is an incapacitated person whose needs cannot be met by less-restrictive means. Minn. Stat. § 524.5-310(a) (2022).

While these statutes do not address tolling of the statute of limitations, we note that this record contains no evidence to support Hudson’s argument that the workers’ compensation settlement was invalid because he lacked the capacity to make personal decisions and to meet personal needs for medical care, nutrition, clothing, shelter, or safety.

To the extent that Hudson relies on Minn. Stat. § 541.15(a) (2022), which addresses when “disability . . . suspend[s] the running of the period of limitation,” the only potentially applicable criterion under Minn. Stat. § 541.15(a) would be “plaintiff’s insanity.” Minn. Stat. § 541.15(a)(2). “[I]nsanity” in this context is defined as “substantial inability, by reason of mental defect or deficiency, to understand one’s legal rights, manage one’s affairs, and prosecute the claim.” *Harrington v. Ramsey County*, 279 N.W.2d 791, 795

(Minn. 1979). A plaintiff must present evidence that they are “substantially impaired,” and the district court may consider “persuasive contrary evidence.” *L.A.B. v. P.N.*, 533 N.W.2d 413, 417-18 (Minn. App. 1995) (holding that a psychiatric patient was not disabled by “insanity” despite her testimony that she was depressed and suicidal as well as an affidavit from her treating therapist stating she was incapable of prosecuting her claim).

Here, Hudson did not present any evidence to the district court demonstrating “insanity” as required by Minn. Stat. § 541.15(a)(2). The district court noted that “although [Hudson] suffers from a traumatic brain injury, [Hudson] has not alleged any facts that would toll the statute of limitations under Minn. Stat. § 541.15.” Although Hudson submitted documents from SMRT and the Social Security Administration indicating that he met their “disability standards” to receive benefits, the standards to receive those benefits do not meet the definition of “insanity” under Minn. Stat. § 541.15(a). *Compare* 42 U.S.C.A. § 423(d) (2020) (defining “disability” for the Social Security Act as an “inability to engage in any *substantial gainful activity* by reason of any medically determinable physical or mental impairment” (emphasis added)), *with Harrington*, 279 N.W.2d at 795 (defining “insanity” as “substantial inability, by reason of mental defect or deficiency, to understand one’s legal rights, manage one’s affairs, and prosecute the claim”). The fact that Hudson qualifies for disability benefits does not mean that he meets the standard to toll the statute of limitations for his claims.

Hudson’s argument that his status as a “vulnerable adult,” pursuant to Minn. Stat. § 626.5572, subd. 21 (2022), tolls the statute of limitations is similarly unpersuasive. To begin, the record does not indicate which, if any, court or administrative agency has

declared Hudson a “vulnerable adult” under Minn. Stat. § 626.5572, subd. 21. Hudson claims the SMRT letter, dated April 29, 2016, declared him a “vulnerable adult” but that letter made no such declaration and only stated that he met “disability standards” to receive benefits. Further, Minn. Stat. § 626.5572 is a criminal statute. It has no applicability to the tolling of a tort action under Minn. Stat. § 541.15. Thus, Hudson’s purported status as a “vulnerable adult” does not toll the statute of limitations in this matter.

For these reasons, we conclude that the district court did not err when it dismissed Hudson’s claims against the respondents based on the statute of limitations.

Affirmed.