This opinion is nonprecedential except as provided by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
A23-0423

Design Innovations, LLC,
Respondent,

vs.

Theodore Lockhart,
Appellant,

Elizabeth Lockhart,
Defendant.

Filed August 21, 2023
Affirmed
Worke, Judge

Hennepin County District Court
File No. 27-CV-21-2434

Julian C. Janes, Janes Law Offices, Edina, Minnesota (for respondent)

Theodore C. Lockhart, Sr., Minneapolis, Minnesota (pro se appellant)

Considered and decided by Worke, Presiding Judge; Ross, Judge; and Bryan, Judge.

NONPRECEDENTIAL OPINION

WORKE, Judge

Appellant challenges the judgment entered against him following a court trial of respondent's breach-of-contract claim, arguing that respondent, as an administratively dissolved LLC, lacked standing to sue. We affirm.

FACTS

Christine Hoene is the owner and operator of respondent Design Innovations, LLC. In February 2018, appellant Theodore Lockhart and his wife, defendant Elizabeth Lockhart, hired Design Innovations to complete the interior finishes of a remodel.

After Design Innovations completed the project, the Lockharts submitted a check for final payment. Design Innovations misplaced the Lockharts's check, and it was never submitted for deposit into Design Innovations' account. Hoene notified the Lockharts of the misplaced check and requested that payment be resubmitted, offering a discount because Design Innovations misplaced the check. Lockhart refused to resubmit payment.

Design Innovations filed a claim in conciliation court and prevailed. Lockhart removed to district court. He moved to dismiss, claiming that Design Innovations lacked standing to sue him because Design Innovations had been administratively dissolved for failing to comply with filing requirements with the Minnesota Secretary of State.

Following a pretrial hearing, the district court denied Lockhart's motion to dismiss. Regarding the issue on appeal—standing—the district court stated that Design Innovations admitted that it was administratively terminated in 2015 for failing to pay its annual fee but represented that it "cured" the defect by paying the fee and that Lockhart failed to show any prejudice.

Following a court trial, the district court concluded that Lockhart breached the contract by failing to pay Design Innovations and awarded Design Innovations damages. Lockhart filed several posttrial motions, which the district court denied. This appeal followed.

DECISION

Lockhart argues that he "irrefutably impeached [Design Innovations]—an entity which was terminated by the Secretary of State for the entirety of the matter . . . therefore precluding standing to sue." Design Innovations argues that the district court correctly "concluded that Hoene had renewed her company," rejecting the argument that Design Innovations lacked standing. Standing is a jurisdictional issue reviewed de novo. *Richards v. Reiter*, 796 N.W.2d 509, 512 (Minn. 2011).

The district court concluded that, under Minn. Stat. § 322C.0706(b)(1) (2022), Design Innovations returned "to active status as of the date of the administrative termination"; thus, "it operates as though the administrative termination never occurred."

The statute provides:

> (a) If a limited liability company is administratively terminated or has its authority to do business in Minnesota revoked, or if a company governed by chapter 322B was administratively terminated pursuant to section 322B.960 prior to January 1, 2018, it may retroactively reinstate its existence or authority to do business by filing a single annual renewal and paying a $25 fee.
> (b) For a domestic limited liability company, or a company that was administratively terminated pursuant to section 322B.960 prior to January 1, 2018, filing the annual renewal with the secretary of state:
> (1) returns the limited liability company to active status as of the date of the administrative termination;
> (2) validates contracts or other acts within the authority of the articles, and the limited liability company is liable for those contracts or acts; and
> (3) restores to the limited liability company all assets and rights of the limited liability company and its members to the extent they were held by the limited liability company and its members before the administrative termination occurred, except to the extent that assets or rights were affected by acts

> occurring after the termination, sold, or otherwise distributed after that time.

Minn. Stat. § 322C.0706 (2022).

Design Innovations was administratively terminated in 2015. The district court found that Design Innovations "represent[ed]" that it "cured" the defect by paying the fee. With the fee paid, Design Innovations was returned to active status as of the date of the administrative termination. *See id.* There is nothing in the record to show that Design Innovations misrepresented to the district court that it paid the fee. Without proof in the record contradicting the district court's ruling, we will not disturb the district court's finding that Design Innovations was reinstated or its resulting determination that Design Innovations had standing. *See* Minn. R. Civ. P. 52.01 (requiring deference to a district court's findings of fact in a civil case unless those findings are clearly erroneous); *Tonka Tours, Inc. v. Chadima*, 372 N.W.2d 723, 726 (Minn. 1985) (stating that a finding is clearly erroneous when it is "manifestly contrary to the weight of the evidence or not reasonably supported by the evidence as a whole").[1]

Affirmed.

[1] Judgment was entered against both Theodore Lockhart and Elizabeth Lockhart. Elizabeth Lockhart did not appeal; therefore, even if Theodore Lockhart had prevailed on appeal, the judgment against Elizabeth Lockhart would remain.