This opinion is nonprecedential except as provided by Minn.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
A24-0118

Lake Minnetonka Real Estate II, LLC,
Appellant,

vs.

Archelle Georgioun Feldshon, et al.,
Respondents,

City of Orono,
Respondent.

Filed November 25, 2024
Affirmed
Reyes, Judge

Hennepin County District Court
File No. 27-CV-23-3538

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Considered and decided by Wheelock, Presiding Judge; Reyes, Judge; and Slieter, Judge.

NONPRECEDENTIAL OPINION

REYES, Judge

In this action asserting quiet-title and slander-of-title claims, appellant challenges the district court's grant of one respondent's motion to dismiss and another respondent's motion for judgment on the pleadings. We affirm.

FACTS

On July 25, 1972, decedent Anne B. Duff and her husband David J. Duff (the Duffs) took title to property by a warranty deed. On December 30, 1983, they quitclaimed title to respondent City of Orono (Orono). The quitclaim deed contained a clause reserving to the Duffs "riparian access and docking and boat buoy rights, and the right to install and maintain the same." In 1992, decedent died testate and was survived by David[1] and their three children, Andrew Scott Duff, Elizabeth Carpenter Duff, and Nicholas Jones Duff, but David did not administer anything from the estate. Article 5.2 in decedent's will stated, "I give my residuary estate in equal shares to those of my children who survive me." The probate court closed the probate proceeding before the year 2000. Decedent's will did not identify her retained riparian rights in the property.

In March 2019, Andrew quitclaimed his interest in the riparian rights to respondents Archelle Georgious Feldshon and S. David Feldshon ("the Feldshons"), and they recorded the quitclaim deed with Hennepin County on January 23, 2023.

[1] Because several parties share the last name of Duff, we use their first names for ease of identification.

On March 15, 2021, the probate court granted Elizabeth's request to be appointed as special administrator over decedent's estate, "but limited the exercise of distributions of the estate . . . 'until . . . a decree of descent is issued by the court.'" On April 7, 2021, the probate court issued the decree of descent, which assigned title to the riparian rights to decedent's three living children in equal shares. The probate court found that decedent's heirs were beneficiaries who were entitled to receive all rights and interests in the riparian rights under article 5.2 of her will.

On April 12, 2021, the special administrator conveyed title to the entire interest in the riparian rights from decedent's estate to appellant Lake Minnetonka Real Estate II, LLC (Minnetonka). Minnetonka recorded the deed conveying title with Hennepin County on May 5, 2021.

In April 2023, Minnetonka filed an amended complaint asserting quiet-title and slander-of-title claims against the Feldshons and Orono. The Feldshons moved to dismiss under Minn. R. Civ. P. 12.02(e) for "failure to state a claim upon which relief can be granted." On September 7, 2023, the district court issued an order granting the Feldshons' motion to dismiss. The district court determined that the riparian rights were no longer a part of decedent's estate when the special administrator attempted to transfer them to Minnetonka. Specifically, the district court determined that the decree of descent ordered [that] "title to the riparian rights . . . are assigned to and vested . . . in equal shares to Andrew, Elizabeth, and Nicholas" and assigned the riparian rights out of the estate, which made the special administrator's subsequent conveyance to Minnetonka ineffective.

In that same order, the district court also rejected Minnetonka's argument that it was entitled to protection as a good-faith purchaser from the special administrator under Minn. Stat. § 524.3-714 (2022). The district court determined that Minnetonka failed to point to any facts that it acted in good faith and that Minnetonka knew or should have known that the decree of descent assigned the riparian rights out of decedent's estate because the document purporting to assign and transfer riparian rights to Minnetonka specifically referenced the decree of descent.

Orono filed a motion for judgment on the pleadings under Minn. R. Civ. P. 12.03 in June 2023, which the district court denied on September 15, 2023. Following the district court's grant of the Feldshons' motion to dismiss, Orono filed a motion for reconsideration. In a January 8, 2024 order, the district court granted both Orono's motion for reconsideration and motion for judgment on the pleadings, determining that Minnetonka no longer had standing to pursue its quiet-title or slander-of-title claims against any other party because the district court's prior order determined that Minnetonka had no interest in the property.

This appeal follows.

DECISION

I. The district court appropriately granted the Feldshons' rule 12.02(e) motion to dismiss for failure to state a claim upon which relief can be granted.

Minnetonka argues that it set forth a legally sufficient claim for relief and the district court erred when it granted the Feldshons' motion to dismiss its complaint because Minnetonka did not have an interest in the riparian rights in decedent's estate. We disagree.

Appellate courts review a district court's grant of a motion to dismiss for failure to state a claim and a motion for judgment on the pleadings de novo to determine whether the pleadings set forth a legally sufficient claim for relief. *Abel v. Abbott Nw. Hosp.*, 947 N.W.2d 58, 68 (Minn. 2020). “We accept the 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); *see also DeRosa v. McKenzie*, 936 N.W.2d 342, 346 (Minn. 2019).

As the district court stated in its April 7, 2021 order, the parties agree that decedent’s residue consisting of the riparian rights devolved immediately upon her death on March 14, 1992, to her three surviving children, vesting them with valid, transferable, one-third, undivided ownership interests in the riparian rights. *See Laymon v. Minn. Premiere Props., LLC*, 913 N.W.2d 449, 454 (Minn. 2018) (“[A] person’s property devolves to a residuary devisee ‘[u]pon death’ of a testator, which is to say, immediately.”). The district court further stated that the parties agreed that Andrew therefore validly conveyed his interest via quitclaim deed to Orono. The issue here is whether Minnetonka’s amended complaint shows that it had an interest in the riparian rights.

The amended complaint details the transfer of the riparian rights from the decedent to the decedent’s heirs. The amended complaint also details the appointment of the special administrator and the decree of descent. The decree of descent states:

> “Title to the riparian rights described in this Decree of Descent, subject to any prior disposition, are assigned and vested in the following named persons in equal shares: To Decedent’s surviving children in equal shares: Andrew Scott Duff, Elizabeth Carpenter Duff and Nicholas Jones Duff.”

A decree of descent does not legally vest rights in heirs but rather recognizes and orders distribution of property, such as riparian rights, in an estate. *See In re Mokros' Estate*, 130 N.W.2d 121, 127 (Minn. 1964). It "assign[s] the property free and clear of any and all claims for medical assistance arising under section 525.312 without regard to the final disposition of those claims." Minn. Stat. § 525.312 (2022). Because decedent's riparian rights devolved immediately upon her death on March 14, 1992, out of her estate and to her three surviving children, and the decree of descent assigned and ordered distribution to them, the special administrator had no interest in the riparian rights to convey.

Minnetonka acknowledges the decree of descent but argues that the riparian rights are still subject to administration. In making this argument, Minnetonka implies that the riparian rights still belonged to the estate irrespective of the decree of descent and that the special administrator's control over the assets in the estate superseded the district court's assignment of the riparian rights to the heirs. However, the supreme court has long acknowledged that "[t]he effect of a decree of descent upon real estate is to discharge [property] from the administration of the estate." *State v. Ramsey Cnty. Prob. Ct.*, 25 Minn. 22, 25 (1878); *see also Oseland by Oseland v. Crow Wing County*, 928 N.W.2d 744, 749 n.3 (Minn. 2019) (stating that decree of descent is court order distributing real or personal property, or any interest therein, of decedent). We conclude that the district court did not err by determining that the decree of descent discharged the riparian rights from the administration.

Minnetonka also argues that the district court erred when it determined that Minnetonka's transaction with the special administrator was not protected under Minn. Stat. § 524.3-714(a) because good faith is a factual determination that cannot be resolved under rule 12.02(e). We are not convinced.

Dismissal of a complaint for failure to state a claim is proper only if it is not possible that there is evidence consistent with the pleading that supports the relief demanded. *State by Smart Growth Minneapolis v. City of Minneapolis*, 954 N.W.2d 584, 594 (Minn. 2021). A court may consider documents referenced in a complaint without converting the motion to dismiss to one for summary judgment. *Martens v. Minn. Mining & Mfg. Co.*, 616 N.W.2d 732, 739 n.7 (Minn. 2000).

Minn. Stat. § 524.3-714(a) protects individuals who complete transactions with personal representatives in good faith. The relevant part of the statute provides:

> A person who in good faith either assists a personal representative or deals with the personal representative for value is protected as if the personal representative properly exercised power.

The district court determined that Minnetonka failed to point to any facts alleged in the amended complaint to support its claim that it entered the transaction with the special administrator in good faith and without any knowledge of the decree of descent. To the contrary, the purported assignment specifically references the decree of descent. We therefore discern no error in the district court's determination that Minnetonka's transaction with the special administrator was not protected by the statute.

II. The district court appropriately granted Orono's rule 12.03 motion for judgment on the pleadings.

Minnetonka argues that the district court erred by granting Orono's motion by determining that it did not have standing to pursue its quiet-title and slander-of-title claims against Orono because Minnetonka had no interest in the riparian rights in decedent's estate. We are not persuaded.

This court reviews de novo a district court's grant of a motion for judgment on the pleadings under Minn. R. Civ. P. 12.03 "to determine whether the complaint sets forth a legally sufficient claim for relief." *Burt v. Rackner, Inc.*, 902 N.W.2d 448, 451 (Minn. 2017) (citation omitted) (quotation marks omitted). "A claim is legally sufficient if it is possible on any evidence which might be produced . . . to grant the relief demanded." *Abel v. Abbott Nw. Hosp.*, 947 N.W.2d 58, 68 (Minn. 2020) (citation omitted) (quotation marks omitted). "To withstand a motion for judgment on the pleadings, [a plaintiff] must state facts that, if proven, would support a colorable claim and entitle it to relief." *Midwest Pipe Insulation, Inc. v. MD Mech., Inc.*, 771 N.W.2d 28, 31 (Minn. 2009).

"Standing is a general jurisprudential concept. It requires that a party must have sufficient personal interest in a legal dispute so that it is appropriate to allow that party to pursue litigation." *Kreuger v. Zeman Const. Co.*, 781 N.W.2d 858, 861 (Minn. 2010). Standing exists if, among other things, the party has suffered an injury-in-fact. *Id.* To suffer an injury-in-fact, a party must allege "a concrete and particularized invasion of a legally protected interest." *Lorix v. Crompton Corp.*, 736 N.W.2d 619, 624 (Minn. 2007).

As noted above, viewing the facts alleged in the amended complaint in the light most favorable to Minnetonka, including the decree of descent it references, leads to the inescapable conclusion that the riparian rights were not part of the estate. As a result, the special administrator could not transfer the riparian rights to Minnetonka. Because Minnetonka had no interest in the riparian rights, it did not have an interest to pursue litigation and lacked standing. Minnetonka's argument fails.

Affirmed.