

*This opinion is nonprecedential except as provided by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
A24-0739**

Franke E Carpenter, III, et al.,
Respondents,

vs.

Michael Carpenter, et al.,
Appellants.

**Filed March 31, 2025
Affirmed
Larson, Judge**

Hennepin County District Court
File No. 27-CV-21-7197

John R. Neve, Quantum Lex, PA, Minneapolis, Minnesota (for respondents)

Carl E. Christensen, Robert Kouba, Christensen Sampsel, PLLC, Minneapolis, Minnesota
(for appellants)

Considered and decided by Cochran, Presiding Judge; Slieter, Judge; and Larson,
Judge.

NONPRECEDENTIAL OPINION

LARSON, Judge

Appellants Michael Carpenter (Michael),¹ Carpenter Enterprises LLC, and Castle
Highlands Golf Course LLC (Castle Highlands) challenge the district court's decisions to

¹ Because several individuals involved in this matter share a surname, we refer to them by their first names.

deny their motion to enforce a settlement agreement and deny their request for attorney fees. Because the district court’s legal determinations are consistent with the settlement agreement’s plain language and the district court did not abuse its discretion when it denied the motion for attorney fees, we affirm.

FACTS

Beginning in 2010, brothers Michael and Frank Carpenter II (Frank II) equally owned and together operated Castle Highlands—a golf course in Beltrami County. Frank II passed away in September 2018 and, by will, left his estate to his two children—respondents Fonda Carpenter (Fonda) and Frank Carpenter III² (Frank III). Fonda was appointed personal representative of the estate, and the estate proceeded through probate in a separate court file.

In 2021, respondents sued Michael in Hennepin County raising numerous claims. The claims were based on the allegation that “there was an oral or implied agreement between Michael and Frank II for [respondents] to acquire Frank II’s [50%] membership interests [in Castle Highlands] on his death.” In 2022, respondents filed an amended complaint adding Carpenter Enterprises and Castle Highlands as defendants. In the amended complaint, respondents raised seven claims: declaratory judgment; breach of

² The caption in this matter is taken from the district court record. The district court caption incorrectly spells Frank Carpenter III’s first name as “Franke.” The caption for this appeal uses “Franke” because “[t]he title of the action shall not be changed in consequence of the appeal.” Minn. R. Civ. App. 143.01. But this opinion uses the correct spelling for Frank Carpenter III’s first name.

fiduciary duty; breach of operating agreement; denial of access to company records; judicial dissolution or buy-out; unlawful distribution; and voidable transfer.

On November 26, 2022, the parties entered into a mediated settlement agreement. The signatories to the settlement agreement were: Frank III, individually; Fonda, individually and as personal representative of the estate; Michael, individually and as managing member of both Castle Highlands and Carpenter Enterprises. Under the settlement agreement, appellants paid respondents \$539,667.29 in exchange for respondents relinquishing all of their interests in Castle Highlands and its real property and resolving all present and future claims. The settlement agreement preserved the parties' right to bring a claim to enforce the settlement agreement. The parties also executed a redemption agreement wherein respondents relinquished their ownership interests in Castle Highlands. On January 5, 2023, the parties filed a stipulation for dismissal pursuant to the settlement agreement, and the district court dismissed the action with prejudice on January 12, 2023.

After the parties settled the case, Michael discovered that Castle Highlands, Michael individually, and Frank II individually were all listed on the title for the real property where Castle Highlands operates. In May 2023, appellants asked respondents to transfer Frank II's interest in the real property to Castle Highlands, pursuant to the settlement agreement. Respondents refused, arguing that "nothing in the settlement agreement requires [them] to sign quit claim deeds for any interest in real [property] that Frank II owned in his individual capacity at the time of his death."

In September 2023, appellants filed a motion in the closed casefile to enforce the settlement agreement, or, in the alternative, to vacate the settlement agreement. Appellants asserted the settlement agreement required respondents to relinquish their rights to the real property and respondents breached the settlement agreement when they refused to do so. The parties entered mediation and largely resolved the issue. Specifically, Frank III and Fonda paid appellants' counsel \$10,000 and each executed quitclaim deeds for the disputed property in favor of Castle Highlands. Fonda's spouse also signed a quitclaim deed. But Frank III's spouse did not sign a quitclaim deed, as Frank III and his spouse were in the process of dissolving their marriage in another state.³

In November 2023, appellants filed an amended motion to enforce the settlement agreement. Appellants requested that the district court require respondents to “provide a quit claim deed from [Frank III's spouse] transferring any actual or inchoate spousal interest she may have in the [p]roperty,” as her interest “clouds the title and breaches [respondents'] obligations under the [s]ettlement [a]greement.” In the alternative, appellants requested that the district court vacate the settlement agreement. As part of their motion, appellants also requested an award of attorney fees based on respondents' “refusal to cooperate under the [a]greement.”

The district court held a motion hearing on January 5, 2024. In a March 4, 2024 order, the district court denied appellants' motion. The district court determined that appellants failed to establish that respondents breached the terms of the settlement

³ Dissolution proceedings between Frank III and his spouse were ongoing when the district court took the motion at issue in this appeal under advisement on January 5, 2024.

agreement. The district court concluded that the settlement agreement did not require respondents to transfer “clean” title or compel a nonparty spouse to relinquish any spousal interests. Rather, the district court determined that respondents had “transfer[ed] *their* rights and interests” in accordance with the settlement agreement. The district court also concluded that attorney fees were not appropriate because, as relevant here, the claim related to a closed case file concerning property located in Beltrami County and appellants were not the prevailing party.

This appeal follows.

DECISION

Appellants raise two challenges to the district court’s decisions. First, appellants argue the district court erroneously denied their motion to enforce the settlement agreement. Second, appellants assert that the district court abused its discretion when it denied their request for attorney fees. We address each argument in turn.

I.

Appellants first argue the district court erred when it denied their motion to enforce the settlement agreement. Appellants contend that, under the settlement agreement’s plain language, respondents were required to transfer clean title to the real property underlying Castle Highlands and that, by failing to present a quitclaim deed from Frank III’s spouse, respondents breached the settlement agreement. We review this issue de novo. *See Storms*,

Inc. v. Mathy Constr. Co., 883 N.W.2d 772, 776 (Minn. 2016) (“Whether language in a contract is plain or ambiguous is a question of law that we review de novo.”).

Under Minnesota law, mediated settlement agreements are governed by contract law. Minn. Stat. § 572.35, subd. 1 (2024); *Dykes v. Sukup Mfg. Co.*, 781 N.W.2d 578, 581-82 (Minn. 2010). Accordingly, “we review the language of the contract to determine the intent of the parties.” *Dykes*, 781 N.W.2d at 582. In doing so, “[w]e construe [the] contract as a whole and attempt to harmonize all of its clauses.” *Storms, Inc.*, 883 N.W.2d at 776. “When the language is clear and unambiguous, we enforce the agreement of the parties as expressed in the language of the contract.” *Dykes*, 781 N.W.2d at 582. A contract is ambiguous if it is “susceptible to more than one reasonable interpretation,” but a contract is “not ambiguous simply because the parties’ interpretations differ.” *Staffing Specifix, Inc. v. TempWorks Mgmt. Servs., Inc.*, 913 N.W.2d 687, 692 (Minn. 2018).

Primarily, appellants challenge the district court’s decision that Frank III’s spouse was not a party to the settlement agreement and, therefore, respondents fully complied with the settlement agreement when the signatories (Frank III and Fonda) executed quitclaim deeds.⁴ Appellants rely on paragraphs 1, 3, 4, 6, and 14 in the settlement agreement to support their argument that the parties plainly intended to “fully and finally settle all claims

⁴ Appellants also assert the district court erred in its application of joint-tenancy law when determining the agreement did not consider spousal interests. Because no arguments about joint-tenancy were made to the district court, this argument is forfeited. *Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn. 1988); *see also Annis v. Annis*, 84 N.W.2d 256, 261 (Minn. 1957) (stating general rule “that litigants are bound [on appeal] by the theory or theories, however erroneous or improvident, upon which the action was actually tried below”).

in the action,” which they argue included transferring title to any property interest held by Frank III’s spouse.

Paragraph one outlines the “[s]pirit and [i]ntent of this [a]greement” and provides:

Through this Agreement, the Parties intend to resolve all claims that were asserted, or that could have been asserted in the Lawsuits, including full resolution of all right, title, and interest in and to Castle Highlands, including all claims and rights in and to the golf course property, and all interests in the LLC

Paragraph three is titled “Complete Relinquishment of Interests in Castle Highlands” and states:

Frank III, Fonda, and the Estate fully relinquish, without any reservation of right, whether directly or through the Estate, any and all claim, whether legal or equitable, whether existing now or as may be discovered in the future, that they have, or may claim to have, to . . . any other interest, right, or title in or to Castle Highlands, or to any . . . real property

Paragraph four describes appellants’ ability to request “[a]dditional [d]ocumentation” from respondents “in order to fully and finally confirm and conclude the fact that Frank III, Fonda, and the Estate no longer have any claim, right, title, or interest whatsoever in or to Castle Highlands, whether legal, equitable, or otherwise, under any theory of law or equity.”

Paragraph six is titled “Mutual Releases” and provides:

Upon the completion of the Payment . . . the Parties, on behalf of themselves, and on behalf of each and all of their respective past and present representatives, attorneys, officers, directors, shareholders, members, agents[,] . . . employees, insurers, heirs, successors, affiliates, subsidiaries, and assigns, shall and do hereby fully and finally release each other, and each and all of their respective past and present [people

previously listed] from all [claims] that the Parties may have, or may claim to have, against each other arising out of or related to the personal, contractual, and business dealings between the Parties, including all claims that were asserted, or that could be asserted, in the Lawsuits and further including all claims that in any way arise out of or relate to the Castle Highlands, and further including Frank III's, Fonda's, and the Estate's complete release of [appellants] from any and all claims, known or unknown, asserted or not, that Frank III, Fonda, or the Estate may have against [appellants]. This mutual release is intended to be full, final, and global between the Parties for all their dealings of any kind up through the date of this Agreement.

Finally, paragraph 14 relates to “[s]ignature [a]uthority” and “[v]oluntary [e]xecution” and states: “Each of the signatories represent that they have secured the necessary authorizations or approvals of their respective owners, boards of directors, or agents to execute this Agreement on their behalf and to bind themselves, their company, and their clients.”

Having reviewed the settlement agreement, we agree with the district court that, under the settlement agreement's plain language, respondents had no obligation or authority to compel Frank III's spouse to sign a quitclaim deed. None of the provisions that appellants rely upon indicate that respondents intended to relinquish property interests held by non-signatories. In fact, multiple paragraphs expressly limit the contractual obligations to Frank III, Fonda, and the estate. And, where Frank III, Fonda, and the estate are not referred to directly, the settlement agreement limits the contractual obligation to “the Parties,” which the agreement defines to mean “Frank III, Fonda, the Estate, Michael, Castle Highlands, and Carpenter Enterprises.” There is no language in the settlement

agreement that would indicate the parties intended their spouses to be bound, in any way, by the terms of the settlement agreement.

Appellants argue forcefully against this interpretation, asserting that Frank III's spouse is a "respective owner" of the property or Frank III's "agent," as contemplated by paragraphs 6 and 14. But we agree with the district court that the settlement agreement's context reveals the "respective owners" language specifically refers to the business entities involved. *See Storms, Inc.*, 883 N.W.2d at 776 (explaining we interpret contract as a whole). We also agree with the district court that, "Spouses are independent people with separate interests and free will." One spouse is not the agent of the other spouse, and one spouse is not bound by the other's decision, unless both agree. *See, e.g., Frank v. Ill. Farmers Ins. Co.*, 336 N.W.2d 307, 311 (Minn. 1983) (concluding "the marital relationship standing alone does not constitute one spouse the agent of the other," absent "evidence that one spouse, expressly or impliedly, confers authority on the other to act on his or her behalf"); *see also Gorco Const. Co. v. Stein*, 99 N.W.2d 69, 72 (Minn. 1959) ("It is . . . well settled that the marital relationship does not, standing alone, constitute the wife the agent for her husband."). Here, nothing in the record suggests that Frank III's spouse authorized Frank III to act on her behalf. To the contrary, the evidence suggests that Frank III's spouse did not have any knowledge of the settlement agreement at the time of its execution.⁵

⁵ Appellants conceded at oral argument that no evidence in the record suggests Frank III's spouse was "directly involved" with any of the settlement-agreement communications.

For these reasons, we affirm the district court’s decision to deny appellants’ motion to enforce the settlement agreement.

II.

Appellants next argue the district court abused its discretion when it denied their request for attorney fees. “We will not reverse the district court’s decision on attorney fees absent an abuse of discretion.” *Carlson v. SALA Architects, Inc.*, 732 N.W.2d 324, 331 (Minn. App. 2007), *rev. denied* (Minn. Aug. 21, 2007). “A district court abuses its discretion if it makes fact findings unsupported by the evidence, misapplies the law, or renders a decision contrary to logic and facts in the record.” *In re Jorgenson Fam. Tr.*, 10 N.W.3d 502, 506 (Minn. App. 2024).

Paragraph 12 of the settlement agreement provides that the district court “*shall have the authority* to declare the prevailing party in any [litigation related to enforcing the settlement agreement] and to direct that the non-prevailing party pay the prevailing party’s reasonable attorneys’ fees and costs incurred in any such proceeding.” (Emphasis added.) By the terms of the settlement agreement, the parties agreed that the imposition of attorney fees was discretionary with the district court. *See Evans v. Novolex Holdings, LLC*, CV 20-98-DLB-CJS, 2021 WL 2187347, at *5 (E.D. Ky. May 28, 2021) (finding the phrase “shall have authority” permissive “as the contract’s drafters could have simply used ‘shall’ to convey” the action was “required”); *see also, e.g., Pac. Lighting Serv. Co. v. Fed. Power Comm’n*, 518 F.2d 718, 720 (9th Cir. 1975) (determining that the phrase “shall have authority” to hold hearing indicated discretionary authority); *Nimmer v. Strickland*, 249

S.E.2d 233, 234 (Ga. 1978) (concluding “shall have authority” to proceed directly against purchasers was permissive).⁶

Under the circumstances here, we do not discern that the district court abused its discretion when it did not award attorney fees. The dispute was largely resolved in mediation and resulted in respondents executing quitclaim deeds for the property and paying appellants’ counsel \$10,000. To the extent appellants filed an amended motion to challenge whether respondents complied with the settlement agreement when Frank III’s spouse did not execute a quitclaim deed, the district court did not abuse its discretion in determining that appellants were not the prevailing party.

Affirmed.

⁶ Although we are bound only by U.S. Supreme Court and Minnesota Supreme Court decisions, other federal court and state court decisions provide persuasive authority. *See Citizens for a Balanced City v. Plymouth Congregational Church*, 672 N.W.2d 13, 20 (Minn. App. 2003) (recognizing we are “bound by decision[s] of the Minnesota Supreme Court and the United States Supreme Court,” but not “by any other federal courts’ opinion[s]” though such opinions “are persuasive and should be afforded due deference”); *Mahowald v. Minn. Gas Co.*, 344 N.W.2d 856, 861 (Minn. 1984) (noting that although decisions from courts of other states are not binding, they may be persuasive).