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STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1422

In re: Carmen L. Start Revocable Trust and Thelma R. Start Revocable Trust.

Filed July 14, 2025
Affirmed
Ross, Judge

Mower County District Court
File No. 50-CV-21-1391

Erik F. Hansen, Elizabeth M. Cadem, Burns & Hansen, P.A., Minneapolis, Minnesota (for appellant Sindy Staart)

Steven M. Sitek, Sitek Law, LLC, St. Paul, Minnesota (for respondent Lisa Start-Khalilian)

Considered and decided by Ross, Presiding Judge; Connolly, Judge; and Wheelock, Judge.

NONPRECEDENTIAL OPINION

ROSS, Judge

This is an appeal from the district court's amended judgment after a bench trial dividing trust assets between sisters Sindy Staart and Lisa Start-Khalilian. Sindy Staart argues on appeal that the district court erroneously valued Florida real property, erroneously awarded Minnesota real property to her sister, and erroneously refused to award her attorney fees. Because the arguments fail, we affirm.

FACTS

Sindy Staart and Lisa Start-Khalilian are the co-trustees and sole beneficiaries of trusts their now-deceased parents created in 2000. The operative provision of the trusts establishes that their assets “shall be divided into equal shares, one share for each of [the settlor’s] living children.” Sindy and Lisa could not agree on how to value and divide two of the trusts’ assets—real property in Florida and Minnesota. Lisa petitioned the district court in July 2021 for court supervision dividing the assets. About a year into the litigation, the district court granted Lisa emergency trustee power to pay bills, collect rent, renew leases, file taxes, maintain the property, and pay insurance. The litigation culminated in a bench trial and an asset-distribution judgment disposing of the Florida and Minnesota properties.

The Florida “horse farm” property consists of about 52 acres and a house, a barn with a studio apartment, sheds, and equipment. Sindy bought the Florida property as part of this litigation after leasing it from the trusts based on a July 2020 agreement. The lease contained an option for Sindy to purchase the property “at the then fair market value upon the death of [Thelma, the siblings’ mother],” crediting the rent she had already paid toward the purchase price. The option further provided that “[i]t is intended that the exercise of the option to purchase and the closing of the purchase shall be completed within seven months of the death of Thelma.”

About three weeks before that seven-month purchase-completion deadline, on August 4, 2021, Sindy mailed Lisa an “Exercise of Option,” which Lisa acknowledged she received. Nine days later, Sindy sent a letter requesting that the trusts “take all steps necessary to finalize closing on the [Florida property] before the seven-month deadline." Lisa did not act to close the sale, based on later-expressed excuses that the district court would find not credible.

The sisters disputed the value of the Florida property. A March 2021 appraisal valued the property at $768,400 as of Thelma's death on January 26, 2021. Lisa sought and obtained a second appraisal dated September 2021, which valued the property at $1,150,000 as of January 26, 2021.

The contested Minnesota property consists of an undivided parcel of 222 tillable acres and a 7.5-acre homestead in rural Ostrander. That property's value, to which the parties stipulated, is not disputed on appeal. But Sindy sought ownership based on her alleged special personal connection to the house.

The district court entered judgment distributing the trust assets. It concluded that Sindy had properly exercised the option to buy the Florida property under her lease agreement with the trusts, and it relied on the second appraiser's valuation of $1,150,000. The district court distributed the Minnesota property to Lisa. It denied Sindy's request for attorney fees and issued amended findings equalizing the dollar value of each sibling's share.

Sindy appeals.

DECISION

Sindy raises three principal arguments on appeal, none availing. She argues first that the district court erroneously relied on the second appraisal to value the Florida property. She argues second that the district court erroneously failed to distribute the contested

Minnesota property to her or, alternatively, auction off the property. And she argues third that the district court erroneously denied her request for attorney fees.

I

Sindy's argument that the district court erroneously valued the Florida property raises legal and factual issues. Sindy contends that the lease required the Florida property to be appraised within a seven-month option period, meaning that the district court was bound to rely on the first but not the second appraisal. We enforce a contract based on its plain language when it is unambiguous, and we determine *de novo* whether a contract's language is unambiguous. *Storms, Inc. v. Mathy Constr. Co.*, 883 N.W.2d 772, 776 (Minn. 2016). It is true that operable contract language in the lease option suggests that the sale closing should have occurred within seven months of Thelma's death. But contrary to Sindy's premise, the lease does not refer to the timing of an appraisal, require an appraisal, or even mention an appraisal:

> It is understood and agreed that the rent being paid by Tenant herein shall apply against the purchase price of the property should Tenant decide to purchase the property at the then fair market value upon the death of Thelma R. Start. Tenant would have the right and option to purchase the property at the then fair market value upon the death of Thelma R. Start. It is intended that the exercise of the option to purchase and the closing of the purchase shall be completed within seven months of the death of Thelma R. Start.

Sindy's argument that the district court erred by relying on an appraisal that occurred outside the seven-month sale aspiration essentially asks us to amend an unambiguous term by adding language requiring an appraisal, which we will not do. *See Kuhn v. Dunn*, 8 N.W.3d 633, 639 (Minn. 2024). Sindy's plain-language argument therefore fails.

Sindy argues alternatively that Lisa used the first appraiser's value of $768,400 in her division-assistance petition and never amended the petition, implying that the district court therefore erred by relying on the second appraiser's valuation. Sindy makes this argument as a single sentence in her opening brief, citing no authority in support and offering no explanation as to why the district court was bound as a matter of law to consider only Lisa's petition and not her later evidence and argument. We will not develop Sindy's argument for her, as issues inadequately briefed are not properly before us. *See Melina v. Chaplin*, 327 N.W.2d 19, 20 (Minn. 1982). And we observe that the second appraisal was unavailable to Lisa when she filed her petition in July 2021 and that Sindy agreed to its admissibility at trial. We consider the argument no further.

Sindy raises the equitable doctrine of unclean hands to suggest that the district court improperly valued the Florida property. But we generally review only those issues that were presented to and considered by the district court. *Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn. 1988). The district court did not discuss the doctrine and, because our review of the record does not reveal that Sindy raised the issue, it is forfeited.

We turn to Sindy's contention that the district court improperly found that the second appraisal was more accurate than the first. We review factual findings for clear error, *see Rasmussen v. Two Harbors Fish Co.*, 832 N.W.2d 790, 797 (Minn. 2013), and we see no error here. We reject Sindy's assertion that the district court improperly reasoned that the first appraiser had failed to account for rising property prices in early 2021. Sindy does not specifically contest the district court finding that property prices were rising in early 2021, and she fails to explain why the rise in prices had supposedly "not yet occurred" by the time of the hypothetical late-January sale. She essentially asks us to substitute our own fact-finding reasoning on appeal for that of the district court, but that is not our role. *In re Civ. Commitment of Kenney*, 963 N.W.2d 214, 221–22 (Minn. 2021). And the record supports the district court's determination that the second appraisal was more accurate than the first because it "used more recent date-adjusted sales data to determine the value of the Florida Property."

We also reject as inaccurate Sindy's complaint about "the District Court's findings indicating that the second appraiser . . . had greater knowledge of horse farms than the first appraiser." The argument does not properly characterize the district court's finding. The court actually found that "the second appraisal of the Florida property was completed by an appraiser with specific experience appraising horse farms," and the record supports the finding. Lisa testified that she had been referred to the second appraiser because he "specialized in small horse farm appraisals." The district court's supported finding is not clearly erroneous.

And we will not second-guess the second appraisal's methodology despite Sindy's argument that the comparable sales it relied on were "glaringly problematic" and that the appraisal rested on what Lisa told the appraiser rather than the appraiser's own inspection. The fact-finder determines the weight and credibility of expert testimony, and it may weigh expert opinions "in the light of all the facts and opinions presented to it and draw its own conclusions." *Rainforest Cafe, Inc. v. Wis. Inv. Bd.*, 677 N.W.2d 443, 451 (Minn. App. 2004). The district court's order indicates that it did not rest its overall finding solely on the comparable-sales methodology. It reasoned that the second appraiser compared the property to other horse farms in the area, took full account of horse-farm features on the Florida property, and used more recent sales data than the first appraiser. We see no clear error in the district court's valuation of the Florida property based on the second appraisal.

II

We are unpersuaded by Sindy's assertion that the district court erred by failing to grant her the contested Minnesota property, or auction it to the parties, because she has close personal ties to the house. She bases her assertion on the trust language. We construe trusts to give effect to the grantor's intent, considering the grantor's dominant intent based on the trust instrument as a whole. *In re Stisser Grantor Tr.*, 818 N.W.2d 495, 502 (Minn. 2012). And we review *de novo* a district court's interpretation of an unambiguous trust instrument. *Id.* Our *de novo* review leads us to reject Sindy's assertion.

Nothing in the trust instruments expressly direct the Minnesota property to Sindy. The two trusts require that assets be distributed "into equal shares so as to provide one share for each then living child of mine." The district court's amended distribution order effectuates the "equal shares" provisions by awarding Sindy and Lisa trust assets of monetarily equal value.

Sindy argues for a different meaning of "equal." She maintains that, by failing to account for her greater personal and sentimental connection to the Minnesota house, it should have been awarded to her, implying that the siblings did not value the property "equally." But Sindy fails to explain how the district court erred by applying this definition and distributing to her and Lisa substantial trust assets with an identical monetary value. And the context informs us that the word "equal" here references property having identical monetary value. It is true, as Sindy points out, that a different provision in the trust instruments says that the trustees "need not make [payments of income and principal] for the equal benefit of the beneficiaries . . . . The trustees are requested . . . to take into consideration other resources or funds available to a beneficiary prior to making distribution to him." But this undermines rather than supports Sindy's argument. This provision regulates the distribution of income and principal, not the trusts' real-property assets after the settlors' deaths. That this income-and-principal provision expressly allows for unequal distributions while the asset-distribution provision does not, reinforces our conclusion that the district court did not err by basing its distribution on monetary equality.

We reject Sindy's argument for an additional reason—lack of credibility. Her contention depends on the truth of her claims that she had a superior attachment to the Minnesota property. But we defer to a district court's credibility determinations, *see Stisser*, 818 N.W.2d at 507, and the district court found that "[m]uch of [Sindy's] testimony at trial was simply unbelievable." The district court did not err by declining to award Sindy the contested Minnesota property.

III

The district court denied Sindy attorney fees after determining that she had not met the requirements of the trustee-fee statute, Minnesota Statutes section 501C.0709 (2024), and that she had not litigated entirely in good faith. The district court also found that "[b]oth parties pursued litigation in this matter for the purpose of serving their own best interests as beneficiaries of the Trusts, not as trustees working on behalf of the Trusts' best interests." A trustee is entitled to reimbursement from trust funds for two relevant types of expenses:

> (1) expenses that were properly incurred in the administration of the trust; and
>
> (2) expenses that were not properly incurred in the administration of the trust, to the extent necessary to prevent unjust enrichment of the trust.

Minn. Stat. § 501C.0709(a). A trustee's attorney fees must also have been "reasonable and incurred in good faith," as required at common law. *Lund ex rel. Revocable Tr. of Lund v. Lund*, 924 N.W.2d 274, 285–86 (Minn. App. 2019), *rev. denied* (Minn. Mar. 27, 2019). Reviewing the district court's decision on attorney fees for an abuse of discretion, *Carlson v. SALA Architects, Inc.*, 732 N.W.2d 324, 331 (Minn. App. 2007), *rev. denied* (Minn. Aug. 21, 2007), we conclude that the district court acted within its discretion by denying Sindy's fee request.

The district court concluded that none "of the criteria of [section 501C.0709] are met under the present circumstances," and the record supports this determination. Sindy had limited power to administer the trust since at least October 2022, when the district court granted Lisa limited emergency trustee powers over Sindy's objection. Although Sindy was still named as a co-trustee, she agreed at trial that Lisa was "acting as the trustee for a limited purpose during this lawsuit." Lisa had an obligation as trustee to get a fair price for the Florida property, *see* Minn. Stat. § 501C.0801 (2024), and we have no reason to conclude that Sindy's pursuit of the sale somehow stopped the trust from "unjustly benefit[ing]" by receiving a higher sale price or not paying out rent credits. And while we recognize that a trustee may be awarded reasonable attorney fees that she incurred during litigation necessary to resolve ambiguous trust language, the litigation must have been "conducted in good faith for the primary benefit of the trust as a whole." *Atwood v. Holmes* (*In re Atwood's Tr.*), 35 N.W.2d 736, 739–40 (Minn. 1949). The district court's findings that the litigation was not "strictly necessary" and that Sindy did not litigate entirely in good faith support its denial of costs and fees.

For the same reasons, the district court did not abuse its discretion by denying Sindy costs and fees under another attorney-fee statute:

> In a judicial proceeding involving the administration of a trust, the court, as justice and equity may require, may award costs and expenses, including reasonable attorney fees, to any party from the trust that is the subject of the judicial proceeding.

Minn. Stat. § 501C.1004 (2024). This section affords the district court significant discretion in deciding whether to award fees. Given the permissive language in section 501C.1004, the same findings discussed above support the district court's denial of fees under this provision.

Sindy argues next that she is entitled to attorney fees and costs incurred when she opposed the payment of fees to an attorney, Paul Sween, who had represented the trusts. Sindy had moved to remove Sween as the trusts' attorney in July 2022, citing a conflict of interest. After Sween's work on the matter ended, he moved for payment of attorney fees, which Sindy opposed, arguing that Sween had a conflict of interest and had breached his fiduciary duties. The district court eventually determined that Sween was entitled to only $19,310 of the $112,692 in fees he initially claimed. Sindy argues that the district court erred by denying her fees that she incurred opposing Sween's fee request, asserting that her actions saved the trusts money and were necessary for the proper administration of the trusts. But Lisa's emergency trustee powers substantially reduced Sindy's role in administering the trusts at the time she opposed Sween's fee request. And the district court's findings of Sindy's lack of good faith during litigation and the needlessness of the litigation bolster our conclusion that the district court acted in its discretion by denying Sindy's costs-and-fee request.

Affirmed.