

*This opinion is nonprecedential except as provided by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
A24-1429**

Leonard Simich, et al.,
Respondents,

vs.

Harry P. Krampf, and all other persons unknown having or claiming an
interest in the property described in the Complaint herein,
Appellant.

**Filed May 12, 2025
Affirmed
Ross, Judge**

Carlton County District Court
File No. 09-CV-22-1444

Matthew H. Hanka, James B. Aird, Fryberger Law Firm, Duluth, Minnesota (for
respondents)

Harry P. Krampf, Lino Lakes, Minnesota (self-represented appellant)

Considered and decided by Ross, Presiding Judge; Bratvold, Judge; and Larson,
Judge.

NONPRECEDENTIAL OPINION

ROSS, Judge

This appeal concerns the propriety of the bidding process for and the validity of a
partition sale of a cabin on Hanging Horn Lake. Harry Krampf lost the closed-bid contest
to his former brother-in-law Leonard Simich after Simich's bid exceeded Krampf's by only
\$3,000 and Simich boasted that he had known the amount of Krampf's bid. Krampf urges

us on appeal to order the district court to award the property to him because Simich's bid failed to account for septic-system regulations, Simich's bid resulted from the improper disclosure of Krampf's bid, the district court made inadequate factual findings, the process infringed on Krampf's constitutional rights, and the district court improperly refused to allow Krampf's son to object to the sale. Because these arguments fail, we affirm.

FACTS

Lloyd Simich, who is now deceased, conveyed to each of his three adult children—Leonard Simich, Deborah Krampf, and Pamela Poirier—a one-third interest in three properties. The properties were a family cabin on Hanging Horn Lake in Carlton County and two vacant wooded parcels that totaled about 31 acres. Deborah's interest in the properties passed to her husband Harry Krampf after she died in 2017. The relationship between the three interest holders deteriorated, and in July 2022, Poirier and Simich sued Krampf in district court seeking an order under Minnesota Statutes chapter 558 (2024) to partition or sell the properties.

The district court appointed a partition referee to administer the sale of the cabin parcel and established the process for the sale. That process required an appraisal to determine the cabin's value and established that the amount of the appraised value be the minimum sale price. If a potential buyer submitted an acceptable offer, the referee would then allow the three parties to bid against each other to purchase the property at or above the offered amount. The district court directed a different disposition of the wooded parcels not at issue in this appeal.

The appraiser valued the cabin at \$169,000, and the highest nonparty offer, which was submitted by Krampf's son Mark, was \$185,000. The referee conferred with the parties and established a procedure for their closed bids. That procedure included a mechanism that would encourage robust bids, in that the referee would make a counteroffer to the highest bidder at \$1,000 over the second-highest bid. The referee's procedure did not require the parties to address issues related to the cabin's septic system, which was not in compliance with a county ordinance.

Krampf bid \$300,000 and Simich bid \$303,000. Krampf's bid included a term burdening the seller with the duty to make the septic system compliant, while Simich's bid did not. The referee filed a report in district court seeking confirmation of the sale to Simich for \$301,000, acknowledging his higher bid and including the counteroffer price at \$1,000 over Krampf's bid. Recognizing that Simich's bid had not addressed the septic issue, the referee's report recommended that the district court approve the sale to Simich with terms requiring the seller to fund a compliant septic system.

Krampf and his son Mark separately objected to the proposed sale. Krampf argued that Simich's bid was improper because it failed to address the septic issue, and both suggested that Simich had cheated, unfairly learning the amount of Krampf's confidential bid before he made his own. Krampf submitted a video recording to support his foul-play allegation. The recording depicts Simich and Mark interacting, with Simich responding to Mark's accusation that he had "cheated on the bid" by replying, "You fell for my trap I knew exactly what you were bidding." After Mark asked how he knew, Simich responded,

“[That’s] for me to know and you to find out.” As the recording continues, it depicts Simich denying that he knew Krampf’s bid but reiterating that Krampf had fallen into his “trap.”

Simich countered Krampf’s assertion that he had known of his bid beforehand, submitting affidavits from the referee and the selling real-estate agent. The referee swore that he had not disclosed any information about the parties’ offers other than to the agent or to the parties’ counsel simultaneously, and the agent swore he had not disclosed any information about the offers other than to the referee. Simich also submitted his own affidavit denying having been tipped off by the referee or the agent. Simich’s counsel later characterized Simich’s recorded statement of “I knew exactly what you were bidding” as Simich’s educated guess based on a settlement discussion among the parties.

The district court conducted a hearing on Krampf’s objections to the proposed sale, noting the parties’ acrimony and admonishing them sternly:

I think it’s an understatement that there is no love lost between any of these people. If I could do this over again, what I would have done is ordered the property sold to anybody except the parties. I don’t know if that’s a possibility, but then there would be none of this -- these allegations of leaks. This is not a conspiracy situation. This is a cabin that doesn’t even have running water [and] that’s possibly polluting a lake.

The district court denied the motion for Mark to join and denied Krampf’s request for discovery. The district court rejected Krampf’s urging that it consider the video recording, saying, “[W]hat they said to each other or their infighting I’m not going to consider.” The district court entered judgment approving the sale of the cabin to Simich, including the seller’s paying for septic-system compliance.

Krampf appeals.

DECISION

Krampf appeals the district court's judgment approving the cabin sale to Simich. Co-owners of real estate may petition the district court to order the property's partition or sale. Minn. Stat. § 558.01 (2024). Although partition actions are authorized by statute, the district court may "use its equitable powers to fill out the silent spaces in the partition statutes." *Neumann v. Anderson*, 916 N.W.2d 41, 48 (Minn. App. 2018) (quotation omitted), *rev. denied* (Minn. July 17, 2018). The district court must give considerable deference to the referee's report of sale and view a motion to reject the referee's findings as it would a motion for a new trial. *See id.* at 51–52. Because we review motions for a new trial under an abuse-of-discretion standard, *Halla Nursery, Inc. v. Baumann-Furrie & Co.*, 454 N.W.2d 905, 910 (Minn. 1990), we generally apply that standard as we review the district court's decision to deny Krampf's objection to the referee's proposed sale. But Krampf includes specific legal challenges, and we review legal issues *de novo* within the contexts of equitable relief and new-trial motions. *Drewitz v. Motorwerks, Inc.*, 867 N.W.2d 197, 204 n.2 (Minn. App. 2015), *rev. denied* (Minn. Sept. 15, 2015); *Halla Nursery*, 454 N.W.2d at 910. Applying these standards, for the following reasons we are not persuaded to reverse.

Krampf rests his arguments on five grounds. He first contends that Simich's bid was invalid because it failed to address laws concerning septic systems. He argues second that the district court erred by ignoring evidence related to the alleged fraudulent leak of Krampf's confidential bid. Krampf argues third that the district court's findings are inadequate. He argues fourth that he was denied his constitutional rights to due process and

equal protection. And he argues fifth that the district court erred by refusing to allow Mark to participate in the proceedings and object to the sale. We address each argument in turn.

I

Krampf argues that, because addressing septic-system compliance was a “material term” for the eventual real-estate transaction, Simich’s bid was invalid. Our *de novo* review leads us to reject Krampf’s septic-system argument.

Krampf cites Minnesota Statutes section 115.55 (2024) and Carlton County, Minnesota, Code of Ordinances 30 (2010) to support his contention that the district court misapplied the law by authorizing the sale based on Simich’s bid, which did not include a term addressing septic-system compliance. His reliance on these laws is misplaced. The statute and ordinance detail the physical requirements of septic systems generally, but they do not expressly implicate the sale of property except in two relevant ways. The statute places the burden on the buyer to pay the cost to bring a septic system into compliance if the seller failed to disclose the status of the septic system at the time of the sale. Minn. Stat. § 115.55, subd. 6(c). And the county ordinance, as authorized by subdivision 7 of the statute, requires the seller of a noncompliant septic system to post security to cover the cost of installing a complying system. Carlton County, Minn., Code of Ordinances 30, art. 8, § 2, subd. D. Neither of these laws supports Krampf’s contention that a potential buyer’s bid or offer to purchase is invalid by virtue of its failure to address septic-system compliance.

Krampf also argues that Simich’s failure to consider the “material term” of the septic system in his bid rendered the bid a legally deficient offer. Contracts indeed must include all material terms to be enforceable. *See King v. Dalton Motors, Inc.*, 109 N.W.2d 51, 52–

53 (Minn. 1961). Krampf's argument includes questionable assumptions. It assumes that the cost of septic-system compliance is a material term of real-property sale contracts, and it assumes that the referee's bidding process required the parties to make offers that detailed every material term. For our purposes, we can assume without deciding that those assumptions are correct. Krampf's argument nevertheless fails.

The argument fails because the law provides the allegedly erroneously omitted material term. It is long settled that "[t]he existing statutes and the settled law of the land at the time a contract is made become a part of it and must be read into it except where the contract discloses an intention to depart therefrom." *Wm. Lindeke Land Co. v. Kalman*, 252 N.W. 650, 653 (Minn. 1934). The septic-system statute and ordinance we have just referenced establish the cost-allocation term missing from Simich's bid. While Krampf's \$300,000 bid expressly required the seller to cover the compliance cost, Simich's bid implicitly required the seller to cover the cost. And the referee incorporated this requirement expressly into his counteroffer and recommendation to approve the sale. This also had the effect of truly equalizing the bids consistent with the referee's previously articulated procedure where Krampf's bid was effectively reduced by the cost of installing the septic system.

Krampf includes an additional, confusing legal argument. He maintains that the sale is illegal because it overlooks the duty of a life tenant to avoid waste and that the district court permitted waste by approving a sale based on a bid that did not address the septic system. But the life tenant Krampf references is deceased and not a party to the sale or to this action. And the alleged duty to prevent waste, according to Krampf, passed to the

property's successors, which then would include Krampf himself. In any event, this otherwise undeveloped argument has no apparent merit.

II

Krampf argues that the district court erred by ignoring evidence of fraud. He bases this on his allegation that Simich was improperly informed of the amount of Krampf's bid. The district court rejected this argument, determining that the sale was "fairly conducted and in full conformity with the law." We apply the new-trial review standard as stated above. *See Halla Nursery*, 454 N.W.2d at 910. Because the district court's decision to adopt the referee's report recommending the sale is adequately supported by the record, we see no abuse of discretion.

Krampf does not convince us that the district court erroneously accepted the referee's recommendation. A district court should not grant a new trial if "the preponderance of the evidence fails to suggest clearly [referee] mistake, improper motive, bias, or caprice or if there are no expressed and articulable reasons, based upon demonstrable circumstances or events, which support a conclusion that injustice has been done." *See Neumann*, 916 N.W.2d at 52 (quotations omitted). Krampf suggests that the district court failed to adequately consider the video he cited as evidence that Simich admitted to having improperly learned the amount of Krampf's bid. But at the hearing Krampf's counsel informed the district court of the substance of the video, emphasizing Simich's statement that he knew Krampf's bid. The district court implicitly rejected the conclusion that Krampf drew from Simich's statements. Affidavit evidence from the referee, the real-estate agent, and Simich filed with the court supports this rejection. We

observe too that the statements in the video recording also support the district court's characterization as evidencing mere "infighting" rather than fraud. This is because Simich's statement that Mark "fell for [his] trap" mirrors Mark's previous statements, which were also submitted to the district court and that characterize Simich as a "rat" caught in Mark's "trap."

It is true, as Krampf highlights, that Simich's bidding only \$3,000 above Krampf's bid at least invites speculation that Simich knew Krampf's bid beforehand. And Krampf argues on appeal that the record does not establish that any settlement discussion occurred so as to support Simich's attorney's assertion that Simich's bid reflected merely an informed guess about Krampf's bid. But the district court's scheduling order required the parties to complete alternative dispute resolution before mid-April 2023, providing some support for the district court's rejection of Krampf's fraud assertions. We are satisfied that, on balance, the district court's decision rejecting Krampf's procedural-impropriety allegations is adequately supported by the record and does not reflect an abuse of discretion.

Krampf maintains too that Simich should not be allowed to purchase the cabin because he has "unclean hands," evidenced again by the recording of him saying that he knew of Krampf's bid. It is true that the doctrine of unclean hands prohibits a party who acts illegally or unconscionably from receiving equitable relief, *Medtronic, Inc. v. Advanced Bionics Corp.*, 630 N.W.2d 438, 450 (Minn. App. 2001), and it is true that the district court declared that "there's nobody here who's got clean hands through this." But the district court immediately contextualized its declaration, explaining, "I mean,

everybody doesn't like each other." We interpret these statements in context to mean that the district court found the parties to be rancorous but not that it found, as a matter of its power to grant equitable relief, that either party had acted with unclean hands.

Krampf makes additional arguments related to Simich's conduct that do not warrant relief. We reject his additional contentions that the sale should be invalidated because of alleged fraud for the same reasons we have rejected the argument above. And we reject his contention that he should have been allowed additional discovery to search for other evidence of fraud because, given the district court's broad discretion in discovery matters, *Underdahl v. Comm'r of Pub. Safety*, 735 N.W.2d 706, 711 (Minn. 2007), Krampf's mostly unsupported speculation that additional evidence could substantiate his fraud claim does not call the district court's decision into serious question.

III

Krampf contends that the district court should have issued a memorandum better describing its fact findings and legal conclusions. A district court order "does not permit meaningful appellate review if it does not identify the facts that the district court has determined to be true and the facts on which [its] decision is based." *In re Civ. Commitment of Spicer*, 853 N.W.2d 803, 811 (Minn. App. 2014). The district court's order is sparse and has little discussion or analysis. But the order also rests on oral findings, as contemplated by court rules. *See* Minn. R. Civ. P. 52.01. Parties and appellate courts benefit from more detailed fact findings and a more thorough discussion of legal issues than the district court has provided here. But we cannot say that the district court's written and oral statements were too lacking for our appellate review.

IV

Krampf argues that the referee's and district court's conduct violated his rights to due process and equal protection. The argument appears for the first time on appeal, and we generally decline to address even constitutional issues raised for the first time on appeal. *In re Welfare of C.L.L.*, 310 N.W.2d 555, 557 (Minn. 1981). We are unconvinced by Krampf's assertion that we can find these constitutional claims "inherently" among his claims in the district court. We will therefore not address them on the merits.

V

We consider last Krampf's argument that the district court treated his son, Mark, as lacking standing to contest the district court's approval of the referee's recommended cabin sale. Here again we do not consider the argument on the merits. This court rejected Mark's filings in this case because he was not a party in the district court and not an attorney of record. Krampf does not purport to represent Mark on appeal, and Krampf, as a self-represented appellant, could not represent Mark even if he sought to do so. *See* Minn. Stat. § 481.02, subd. 1 (2024). Krampf also does not demonstrate that he has a sufficient stake in whether Mark is conferred status as a party. *See Minn. Sands, LLC v. County of Winona*, 940 N.W.2d 183, 192 (Minn. 2020). We therefore do not consider Krampf's assertion that the district court should have allowed Mark to join to challenge the sale.

Affirmed.