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Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A24-1761

In re the Marriage of:

John Andrew Sinnott, petitioner,
Appellant,

vs.

Kelli Anne Sinnott, n/k/a Kelli Anne Erickson,
Respondent.

Filed August 25, 2025
Affirmed
Reyes, Judge

Hennepin County District Court
File No. 27-FA-15-3936

Adam Y. Galili, Metro Law & Mediation, Minneapolis, Minnesota (for appellant)

Timothy D. Lees, Lees Family Law, Ltd., Edina, Minnesota (for respondent)

Considered and decided by Schmidt, Presiding Judge; Reyes, Judge; and Cochran, Judge.

NONPRECEDENTIAL OPINION

REYES, Judge

Appellant-husband challenges the district court's denial of his motion to terminate spousal maintenance, arguing that it abused its discretion by (1) determining that husband had not demonstrated a substantial change in circumstances, (2) sequestering husband's funds and relieving respondent-wife of certain financial obligations imposed by the judgment, and (3) granting wife's motion for conduct-based attorney fees. We affirm.

FACTS

Appellant-husband John Andrew Sinnott filed a petition for dissolution of marriage from respondent-wife Kelli Ann Sinnott in 2015. The district court subsequently issued an amended judgment and decree on February 28, 2017, awarding wife $1,800 per month in permanent spousal maintenance and $475 per month for child support beginning November 1, 2016. The district court also awarded the homestead to wife and ordered her to pay husband 50% of the existing equity in the home in the form of a marital lien, which amounted to $119,704, including a four percent interest per annum, within five years from entry of the judgment and decree. The district court divided the marital debt in half, assigning $9,351.22 to husband and $9,381.44 to wife.

Following entry of the judgment and decree, husband failed to make any voluntary child-support or spousal-maintenance payments, resulting in significant arrears.[1] Husband also failed to pay the marital debts the district court assigned to him, which forced wife to pay them so that her credit would remain in good standing. Wife did not make any payments to husband on the marital lien.

In 2024, husband filed a motion for the district court to (1) terminate the spousal-maintenance award based on a substantial change in circumstances due to his increased expenses and decreased income in 2023; (2) require wife to pay him $119,704 plus interest

[1] Wife obtained child-support and spousal-maintenance payments from April 2017 to December 2017 through automatic income holding from husband's paycheck.

for his marital lien; and (3) offset the arrears he owed wife from the marital lien. He estimated the arrears to be $83,974, and after subtracting that from the $119,704 marital lien plus interest amount, he estimated that the remaining balance wife owed him on the marital lien to be $71,242.

In response, wife estimated that, as of June 2024, she owed husband $150,428.02 on the marital lien based on the original amount and simple interest of four percent and that husband owed her $124,018.41 in arrears for spousal maintenance and child support. Wife requested that the district court offset husband's marital lien by the amount of arrears he owed her and the $9,351.22 debt she paid that was originally assigned to him, resulting in a remaining marital lien amount of $17,058.39. Wife also requested that the district court sequester the remaining lien amount she owed husband. She further sought both need-based and conduct-based attorney fees.

The district court filed an order on September 25, 2024. First, it denied husband's request to terminate spousal maintenance, finding his assertions that he did not have the ability to pay spousal maintenance were not credible because he had "made *no* effort to make spousal payments." At the time of the decree, husband had a gross annual income of $74,189, and a net monthly income of $3,913.24. The district court found, based on husband's affidavit, that in 2023 he had a gross annual income of $65,698 and a net monthly income of $3,842. The district court determined that husband's decrease in monthly income was "less than $90." The district court also found that husband likely understated his income in his submissions because he failed to provide his tax return for 2022, which wife later submitted, that showed husband's 2022 income to be $71,637. As a result, the district court determined that husband failed to show a significant change in circumstances based on his income.

The district court calculated wife's current gross monthly income to be $4,005.11. The district court found that, although wife's monthly income increased, she remained unable to meet her monthly needs. It therefore kept the current spousal-maintenance award in effect.

Second, the district court denied husband's requests to require wife to pay the entire marital lien plus the four percent interest, which it found to be $155,216. Instead, the district court granted wife's request to sequester the remaining lien amount.

Third, the district court granted both parties' request to offset the outstanding marital lien amount wife owed husband by the amount of arrears husband owed wife. The district court found that, from 2016 to 2024, husband had not voluntarily made spousal-maintenance or child-support payments, resulting in husband owing wife $120,082.01 in arrears. This reduced the remaining lien amount to $35,133.99. The district court further reduced the lien by $7,070.32, based on the amount of the debt wife paid on husband's behalf, to $28,063.67.

Last, the district court denied wife's request for need-based attorney fees, finding that "[h]usband does not have sufficient extra income to pay them." However, it awarded her conduct-based attorney fees because husband "contributed to the length and expense of the proceeding through his willful non-payment of his obligations under the [d]ecree" as well as his lack of transparency, good-faith, and compliance with wife's discovery requests.

This appeal follows.

DECISION

I. The district court did not abuse its discretion by determining that husband failed to show a substantial change in circumstances warranting a modification to spousal maintenance.

Husband argues that the district court abused its discretion by determining that he had not shown a substantial change in circumstances to justify termination of his spousal-maintenance award. We disagree.

Under Minn. Stat. § 518A.39, subd. 2 (Supp. 2024), a party seeking modification of spousal maintenance bears the burden of showing "a substantial change in one or more of the circumstances identified in the statute," and then "show[ing] that the substantial change [renders] the original award unreasonable and unfair." *See Hecker v. Hecker*, 568 N.W.2d 705, 709 (Minn. 1997) (addressing prior version of statute). A substantial change in circumstances may be based on, among other things, "substantially increased or decreased gross income of an obligor or obligee" or "substantially increased or decreased need of an obligor or obligee." Minn. Stat. § 518A.39, subd. 2(a). The circumstances that existed at the time of the original judgment serve as "the baseline circumstances against which claims of substantial change are evaluated." *Hecker*, 568 N.W.2d at 709.

We review a district court's decision of whether to modify an existing spousal-maintenance award for an abuse of discretion. *Madden v. Madden*, 923 N.W.2d 688, 696 (Minn. App. 2019). Similarly, appellate courts use an abuse-of-discretion standard to review a district court's determination of whether any change in circumstances found to have occurred are substantial. *See Hecker*, 569 N.W.2d at 710 (stating that "the trial court did not abuse its discretion in identifying a substantial change in circumstances warranting a modification of the spousal maintenance award"). A district court abuses its discretion "if it makes findings of fact that are not supported by the record, misapplies the law, or resolves the matter in a manner that is contrary to logic and the facts on record." *Id.* We review legal questions de novo. *Maiers v. Maiers*, 775 N.W.2d 666, 668 (Minn. App. 2009). "To the extent that a modification decision depends on findings of fact, we apply a clear-error standard of review to those findings of fact." *Madden*, 923 N.W.2d at 696. When reviewing factual findings for clear error, we defer to the district court's credibility determinations and will not "reweigh the evidence," "engage in fact-finding anew," or "reconcile conflicting evidence." *In re Civ. Commitment of Kenney*, 963 N.W.2d 214, 221-22 (Minn. 2021) (quotations omitted). We will reverse for clear error only when, "on the entire evidence, we are left with a definite and firm conviction that a mistake has been committed." *Id.* at 221 (quotation omitted).

The district court's determination that husband did not show a substantial change in circumstances was based, in part, on its findings that husband was not credible and that he failed to provide documentation showing a substantial change in circumstances. *Haefele v. Haefele*, 621 N.W.2d 758, 763-64 (Minn. App. 2001), *rev. denied* (Minn. Feb. 21, 2002) (acknowledging that district courts are afforded broad discretion in addressing credibility because they are in best position to determine which witnesses are credible and to weigh evidence when addressing factual issues with conflicting testimony). Because appellate courts do not disturb the credibility determinations made by the district court, our review is limited to whether the district court's determination is supported by the record. *Beasley* *v. Medin*, 479 N.W.2d 95, 98 (Minn. App. 1992) (stating that party's failure to seek amended findings limits appellate review to whether evidence supports findings).

Husband did not appeal the initial spousal-maintenance award, which serves as the baseline for determining whether husband had a substantial change in circumstances. Here, the district court found that husband's 2023 net monthly income had decreased by less than $90 per month than from what he made in 2017 at the time of the judgment and decree. Husband does not challenge the district court's calculation of the difference in his income. Notably, husband, who bears the burden of showing that the maintenance award is unfair or unreasonable, failed to provide the district court with his 2022 tax return, a relevant document to assist the district court in determining his income. Indeed, wife submitted husband's tax return for 2022, which showed his 2022 gross annual income to be $71,673. Husband instead submitted only his 2023 tax return, which showed his gross annual income to be $65,698.

Husband further contends that the district court abused its discretion by failing "to conduct any specific analysis of [w]ife's current income, monthly expenses or financial deficit," which constitutes a substantial change in circumstances. The record directly contradicts his argument.

The district court analyzed wife's gross monthly income and decreased standard of living. Specifically, the district court found that wife had a gross monthly income of $1,881 at the time of the judgment and decree and monthly expenses of $4,309. It further found that, even though her gross monthly income had increased to $3,568, her monthly expenses were $4,005.11. The district court determined that, even with wife's increased income, she could not meet her financial needs, and the current order is not unfair or unreasonable. The record amply supports the district court's determination.

The order further demonstrates that the district court closely examined wife's estimation of her monthly expenses. Rather than accepting them as true, the district court made targeted reductions, specifically excluding duplicative costs for heating, dining out at restaurants, and wife's AAA membership.

Husband further argues that the district court committed reversible error by not making a finding of wife's net or after-tax income. *See Schmidt v. Schmidt*, 964 N.W.2d 221, 229 (Minn. App. 2021) (reversing award of spousal-maintenance award when district court did not make finding of wife's net income because record only contained evidence of income taxes wife would likely be required to pay). But here, unlike in *Schmidt*, the district court based wife's award of permanent spousal maintenance on their marital standard of living. Husband did not challenge the district court's order awarding wife permanent spousal maintenance. Moreover, the district court calculated wife's gross monthly income based on the documents she submitted, which showed her gross income as well as the taxes and deductions she was required to pay. Although the district court's order did not include an explicit finding of wife's net income, the record shows that even her gross monthly income, which would certainly be more than her net monthly income, is still less than her monthly expenses. Wife's affidavit, which the district court determined to be credible, supports this finding.

Because the district court analyzed wife's income and monthly expenses and did not find that a substantial change in circumstances rendered the award unreasonable and unfair, we discern no error by the district court.[2]

II. The district court had the authority to and acted within its discretion by sequestering the remainder of husband's marital lien under the terms of the judgment and decree because he had failed to pay child support and spousal maintenance since November 2016.

Next, husband argues that the district court (1) improperly sequestered the marital lien because that is not authorized by Minn. Stat. § 518A.71 (2024), and (2) the statute applies to sequestration only of support-related matters rather than a marital lien from a property division. We disagree.

A. The district court properly sequestered the marital lien due to husband's spousal-maintenance and child-support arrears.

Minnesota Statutes section 518A.71 authorizes the district court to sequester an obligor's personal estate and rents and profits of the estate when the obligor has failed to pay the maintenance or support "[i]n all cases when maintenance or support payments are ordered." Under the statute, the district court is also permitted to "cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order." Minn. Stat. § 518A.71. In *Porter v. Porter*, 389 N.W.2d 739, 742-43 (Minn. App. 1986), this court held that the predecessor statute to Minn. Stat. 518.71 allowed the district court to sequester property divided in a dissolution to satisfy an ex-spouse's judgment based on arrears. There, we analyzed Minn. Stat. § 518.24 (1983), which the legislature later

[2] The better practice is for district courts to include a finding of net income in proceedings in which an award for spousal maintenance is at issue.

renumbered in 2006 to Minn. Stat. 518A.71 and concluded that the district court's equitable powers codified in the statute permitted it to sequester profits at any time and enforce a decree. *Id*.

Here, husband does not dispute that he did not pay wife either spousal maintenance or child support since November 2016. Instead, he contends that the district court's authority was limited to sequestering assets in his personal estate. But the marital lien, which is husband's personal property, is a part of his personal estate and can therefore be sequestered by the district court. *Bakken v. Helgeson*, 785 N.W.2d 791, 795 (Minn. App. 2010). We conclude that the district court had the authority to and properly sequestered the marital lien.

B. The district court acted within its discretion by reducing husband's marital lien because he did not pay the marital debts assigned to him.

We have also recognized that a district court may implement the terms of obligations under a decree so long as it does not constitute a modification to the division of property. In *Hanson v. Hanson*, we held that the district court did not abuse its discretion when it implemented the personal-property division in a dissolution judgment by requiring the appellant to pay the respondent the cash value of his share of the parties' personal property, rather than transferring the property itself. 379 N.W.2d 230, 231 (Minn. App. 1985). In *Hanson*, the district court converted the form of husband's interest from goods to cash to enforce the property division in the judgment and decree after the parties failed to divide the property accordingly. *Id.* at 232-33.

Here, the district court enforced its prior spousal-maintenance and child-support awards by sequestering the remaining funds from husband's marital lien after husband failed to make those payments since November 2016. The district court further enforced its order by reducing the remaining funds from husband's marital lien by the debts wife paid, which the district court had previously assigned to husband. The district court's actions here do not constitute a modification of the property division, but rather an authorized enforcement mechanism to implement the judgment and decree, especially given husband's prior failure to pay the court-ordered child support, spousal maintenance, and assigned debts.

III. The district court acted within its discretion by granting wife's motion for conduct-based attorney fees.

In his final argument, husband asserts that the district court abused its discretion by granting wife's motion for conduct-based attorney fees and costs. We are not persuaded.

The district court may award either need-based or conduct-based attorney fees or both in dissolution proceedings. *Baertsch v. Baertsch*, 886 N.W.2d 235, 238-239 (Minn. App. 2016). An award of conduct-based attorney fees is appropriate when a party takes positions that are "duplicitous and disingenuous and have had the effect of further delaying distribution, lengthening [the] litigation, and increasing the expense of [the] proceedings." *Redmond v. Redmond*, 594 N.W.2d 272, 276 (Minn. App. 1999). The party moving for conduct-based attorney fees has the burden of showing that the other party's conduct "unreasonably contributed to the length or expense of the proceedings." *Geske v. Marcolina*, 624 N.W.2d 813, 818 (Minn. App. 2001) (quotations omitted). We review an award for conduct-based attorney fees for an abuse of discretion. *Sanvik v. Sanvik*, 850 N.W.2d 732, 737 (Minn. App. 2014). "A district court abuses its discretion by making findings of fact that are unsupported by the evidence, misapplying the law, or delivering a decision that is against logic and the facts on record." *Bender v. Bernhard*, 971 N.W.2d 257, 262 (Minn. 2022) (quotations omitted).

The district court found that husband failed to provide accurate income information, "lack[ed] [] transparency," and did not act in good faith. His failure to provide adequate responses to wife's discovery requests and failure to provide the district court with accurate income information supports its determination that his conduct delayed the proceeding and generated additional expenses for the parties. Because the record supports the district court's award of conduct-based attorney fees to wife, we conclude that it did not abuse its discretion.

Affirmed.