

*This opinion is nonprecedential except as provided by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
A24-1962**

State of Minnesota,
Respondent,

vs.

Julio Armando Alvarado,
Appellant.

**Filed July 14, 2025
Affirmed
Frisch, Chief Judge**

Hennepin County District Court
File No. 27-CR-23-16847

Keith Ellison, Attorney General, St. Paul, Minnesota; and

Mary F. Moriarty, Hennepin County Attorney, Nicole Cornale, Assistant County Attorney,
Minneapolis, Minnesota (for respondent)

Cathryn Middlebrook, Chief Appellate Public Defender, Gina D. Schulz, Assistant Public
Defender, St. Paul, Minnesota (for appellant)

Considered and decided by Slieter, Presiding Judge; Frisch, Chief Judge; and Ede,
Judge.

NONPRECEDENTIAL OPINION

FRISCH, Chief Judge

Following his conviction for criminal vehicular homicide, appellant challenges the
portion of the district court's restitution order requiring him to pay \$60,000 to SFM Mutual

Insurance Company. He argues that the district court abused its discretion in ordering restitution because (1) SFM cannot qualify as a “victim” within the meaning of the restitution statute, and (2) even assuming SFM could qualify as a “victim,” the causal connection between the offense and the death benefit paid by SFM to the decedent’s estate is too attenuated to be compensable through restitution. Because SFM qualifies as a “victim” under the restitution statute and incurred an economic loss as a direct result of appellant’s offense, we affirm.

FACTS

Respondent State of Minnesota charged appellant Julio Armando Alvarado with one count of criminal vehicular homicide (alcohol concentration of 0.08 or more), in violation of Minn. Stat. § 609.2112, subd. 1(a)(4) (2022), and one count of criminal vehicular homicide (negligent operation of a vehicle under the influence of alcohol), in violation of Minn. Stat. § 609.2112, subd. 1(a)(2)(i) (2022). The complaint alleged that on August 5, 2023, law enforcement responded to reports of a two-vehicle crash and observed a vehicle that “looked as if it was caved in from a forceful impact.” The driver of that vehicle, A.T.Z., had been working as a restaurant delivery driver when the collision occurred. A.T.Z. was pronounced dead at the scene. Witnesses identified Alvarado as the driver of the second vehicle. Following three field sobriety tests and a preliminary breath test that indicated Alvarado was impaired, police placed Alvarado under arrest and obtained a search warrant for a blood sample. Testing on that blood sample established that Alvarado had an alcohol concentration of 0.186.

Alvarado pleaded guilty to both counts. During the plea colloquy, Alvarado testified that before the accident, he had been drinking at a nightclub, became “really intoxicated,” was kicked out of the nightclub for drinking too much, and drove away in his vehicle. Alvarado had difficulty recalling specific details before the crash. He testified that he “was going too fast” and that “everything was just a blur until [he] hit [A.T.Z.’s] vehicle.” Alvarado acknowledged that his blood test results showed that his alcohol concentration was “well over” the legal limit and admitted that he had been driving his vehicle “in a negligent manner.”

At the sentencing hearing the following month, the district court denied Alvarado’s motion for a downward dispositional sentencing departure and imposed a presumptive executed sentence of 48 months in prison on the negligent-operation-of-a-vehicle count of vehicular homicide.¹ The state also requested that Alvarado pay \$73,824.27 in restitution to the restaurant’s workers’ compensation insurer, SFM. That amount included \$13,824.27 SFM paid to reimburse A.T.Z.’s family for funeral expenses pursuant to Minn. Stat. § 176.111, subd. 18 (2024), and a \$60,000 death-benefit payment pursuant to Minn. Stat. § 176.111, subd. 22(a) (2024). The district court expressed concerns about Alvarado’s ability to pay and ordered a contested restitution hearing. In advance of the hearing, Alvarado submitted an affidavit challenging the \$60,000 death-benefit payment. Alvarado did not challenge the restitution request regarding A.T.Z.’s funeral expenses.

¹ The district court did not adjudicate the other count of criminal vehicular homicide.

At the restitution hearing, the district court heard testimony from Julie Bischoff, a senior subrogation representative for SFM. Bischoff testified that SFM was a mutual insurance company and had paid workers' compensation benefits because A.T.Z. "was injured in the course and scope of [his] employment," and because "the injury arose out of his employment." Bischoff also testified that, because Alvarado did not have automobile insurance and because SFM was prohibited from pursuing subrogation against uninsured or underinsured motorist funds in Minnesota, their "only remedy was to pursue through criminal restitution."

Alvarado challenged the restitution sought by SFM arguing that the district court should deny the restitution request for the death-benefit payment because "his underlying criminal conduct was not the direct cause of SFM's loss."

The district court issued a written order rejecting Alvarado's restitution challenge, concluding that SFM was "clearly a victim" within the meaning of the restitution statute, that SFM had "suffered an economic loss," that the loss was "directly attributable" to Alvarado's conduct, and that a workers' compensation death-benefit payment is an economic loss that may be reimbursed through restitution. The district court ordered Alvarado to pay \$73,824.27 to SFM.

Alvarado appeals.

DECISION

On appeal, Alvarado argues that the district court abused its discretion in ordering him to pay \$60,000 in restitution to reimburse SFM for the death-benefit payment to A.T.Z.'s estate. The victim of a crime "has the right to receive restitution" from a convicted

offender as part of the disposition of a criminal charge. Minn. Stat. § 611A.04, subd. 1(a) (2024). “The primary purpose of the [restitution] statute is to restore crime victims to the same financial position they were in before the crime.” *State v. Palubicki*, 727 N.W.2d 662, 666 (Minn. 2007).

We review the district court’s decision to award restitution for an abuse of discretion. *State v. White*, 13 N.W.3d 395, 398 (Minn. 2024). “A [district] court abuses its discretion when its decision is based on an erroneous view of the law or is against logic and the facts in the record.” *State v. Currin*, 974 N.W.2d 567, 571 (Minn. 2022) (quotation omitted). But we review de novo whether a specific claim for restitution falls within the statutory definition. *In re Welfare of M.R.H.*, 716 N.W.2d 349, 351 (Minn. App. 2006), *rev. denied* (Minn. Aug. 15, 2006). And we review the district court’s findings of fact for clear error. *State v. Andersen*, 871 N.W.2d 910, 913 (Minn. 2015).

Alvarado contends that the district court abused its discretion in awarding restitution to SFM because (1) a workers’ compensation insurer cannot qualify as a “victim” under the restitution statute and (2) the economic loss incurred by SFM was not directly caused by Alvarado’s criminal conduct. We address each argument in turn.

I. SFM qualifies as a “victim” within the plain meaning of the restitution statute.

Alvarado argues that SFM is not entitled to restitution because SFM is a workers’ compensation insurer, and such entities are not “victims” as defined by the restitution statute. Alvarado’s argument raises an issue of statutory interpretation, which we review de novo. *Currin*, 974 N.W.2d at 571.

The restitution statute defines “victim” as follows:

“Victim” means a natural person who incurs loss or harm as a result of a crime, including a good faith effort to prevent a crime, and for purposes of sections 611A.04 and 611A.045, also includes (1) a corporation that incurs loss or harm as a result of a crime, (2) a government entity that incurs loss or harm as a result of a crime, and (3) any other entity authorized to receive restitution under section 609.10 or 609.125. The term “victim” includes the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person.

Minn. Stat. § 611A.01(b) (2024). Alvarado contends that because the term “workers’ compensation insurer” is not explicitly included in the statutory definition of “victim,” the district court erred in awarding restitution to SFM. We disagree.

The district court concluded that SFM was “clearly a victim under the definition because it is a *corporation* that incurred a loss as a result of Mr. Alvarado’s crime.” (Emphasis added.) Alvarado does not argue that the district court’s finding that SFM is a corporation amounts to clear error. In fact, Alvarado does not argue that SFM is not a corporation. It is therefore uncontested that SFM is a corporation, and, under the plain language of the statute, corporations may qualify as victims. *See State v. McReynolds*, 973 N.W.2d 314, 318 (Minn. 2022) (“If the Legislature’s intended meaning is clear from the plain text of the statute, we follow that plain meaning.”); *see also State v. Saleem*, No. A22-1765, 2023 WL 3807165, at *1 (Minn. App. May 31, 2023) (order op.) (rejecting argument that SFM did not qualify as a “victim” under the restitution statute in part because

“there is no dispute that SFM is a corporation”), *rev. denied* (Minn. Aug. 22, 2023).² Additionally, we have repeatedly affirmed district court decisions awarding restitution to insurance companies that suffered economic losses as a result of a defendant’s criminal conduct. *See, e.g., State v. Beganovic*, 974 N.W.2d 278, 287 (Minn. App. 2022) (affirming district court’s restitution award to insurance company), *aff’d on other grounds*, 991 N.W.2d 638 (Minn. 2023); *State v. Jola*, 409 N.W.2d 17, 19 (Minn. App. 1987) (same).

Alvarado attempts to distinguish a workers’ compensation insurer from insurers that have “a direct contractual relationship with the victim.” But the statute makes no such distinction, and Alvarado provides no authority to support this proposed distinction. And we have previously rejected the same argument advanced by Alvarado in this appeal in an order opinion in which we concluded that there was “no reason to distinguish between different types of insurance companies, nor to exempt workers’ compensation insurers from the broad statutory definition of ‘victim.’” *Saleem*, 2023 WL 3807165, at *1.

Finally, in his reply brief, Alvarado argues that the supreme court’s decision in *State v. Allison*, 999 N.W.2d 835, 841 (Minn. 2024), “fully foreclosed the definition of ‘victim’ that the state seeks to apply here.” *Allison* involved the interpretation of the language in Minn. Stat. § 611A.01(b) that designates “the family members, guardian, conservator, or custodian of a minor, incompetent, incapacitated, or deceased person” as victims for purposes of restitution. *Id.* at 839. Allison argued that this language created “a secondary

² Although we do not typically cite to order opinions, we reference *Saleem* because of its close similarities to the instant case and because we find its rationale persuasive.

or derivative class of victims who step into the shoes of the dependent individual.” *Id.* The supreme court rejected Allison’s interpretation and held that “the [restitution] statute creates a singular class of victims that includes the direct victims of a crime and, if the direct victim is a minor, those family members of the minor who incur a personal loss or harm as a direct result of the crime.” *Id.* at 841. According to Alvarado, *Allison* distinguished between “the *direct* victim of an offense and other people who suffer harm as a result of that offense.” He reads *Allison* to prohibit restitution payments for this second category of what he calls “indirect” victims, unless they “have an enumerated relationship with a minor, incapacitated, deceased, or incompetent victim.” Alvarado contends that because SFM is not a “direct victim” and does not have the required relationship with A.T.Z.—family member, guardian, conservator, or custodian—it does not fall within the “singular class of victims” entitled to restitution.

But Alvarado’s classification of SFM as a so-called “indirect victim” is misguided. Under *Allison*, the phrase “direct victim” refers to, at a minimum, the other enumerated persons and entities in the restitution statute—including corporations—that “incur[red] loss or harm as a result of a crime.” *See* Minn. Stat. § 611A.01(b). And, as previously noted, there is no dispute that SFM is a corporation. SFM therefore falls within the “singular class of victims” articulated in *Allison*.

In sum, because there is no dispute that SFM is a corporation, and because there is no authority to support Alvarado’s proposed distinction between a workers’ compensation insurer and other insurance companies, we conclude that SFM qualifies as a “victim” within the plain meaning of the restitution statute.

II. Alvarado's offense directly caused the economic loss incurred by SFM.

Alvarado argues that, even if SFM qualifies as a “victim” under the restitution statute, the district court’s order must still be reversed because “the statutory death benefit paid out here is too causally removed from Alvarado’s offense to be compensable through restitution.” “[A] district court may order restitution only for losses that are directly caused by, or follow naturally as a consequence of, the defendant’s crime.” *State v. Boettcher*, 931 N.W.2d 376, 381 (Minn. 2019). But when a victim’s losses “merely have ‘some factual relationship to’ the crime of conviction,” restitution is inappropriate. *Id.* The district court concluded that SFM’s payment to A.T.Z.’s estate was “directly attributable” to Alvarado because his criminal conduct “resulted in the death of A.T.Z.”

Alvarado argues that this case is distinguishable from other cases involving restitution awards to insurance companies because “the causal chain connecting the alleged offense to the claimed restitution” is “rife with intervening causes.” We disagree and conclude that the record evidence adequately supports the district court’s determination.

Contrary to Alvarado’s characterization, the causal chain linking Alvarado’s offense to the economic loss incurred by SFM is straightforward. Alvarado’s criminal conduct directly caused A.T.Z.’s death. And because A.T.Z. died in the course and scope of his employment, SFM was required by statute to pay the \$60,000 death benefit. Additionally, the causal chain is much stronger here as compared to cases where we have reversed a restitution award based on attenuation. *See State v. Esler*, 553 N.W.2d 61, 65 (Minn. App. 1996) (reversing restitution award to homeowner and homeowner’s insurance company because the property damage caused by defendant was unrelated to the crime of

conviction), *rev. denied* (Minn. Oct. 15, 1996). The district court therefore acted within its discretion in determining that the economic loss of \$60,000 incurred by SFM was directly caused by Alvarado's crime. *See Boettcher*, 931 N.W.2d at 381.

Affirmed.