This opinion is nonprecedential except as provided by Minn.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
A25-0016

Charles Ward, et al.,
Appellants,

vs.

Ward Family, Inc., et al.,
Respondents.

Filed August 18, 2025
Affirmed in part, reversed in part, and remanded
Reilly, Judge*

Stearns County District Court
File No. 73-CV-23-434

Sarah R. Jewell, River Valley Law, P.A., Waite Park, Minnesota (for appellants)

Christopher A. Wills, Mara C. Swanson, RGP Law, Ltd., St. Cloud, Minnesota (for respondents)

Considered and decided by Ede, Presiding Judge; Bond, Judge; and Reilly, Judge.

NONPRECEDENTIAL OPINION

REILLY, Judge

After the district court ordered a buyout under Minn. Stat. § 302A.751 (2024), appellants argue that the district court erred by (1) considering factors beyond the statutory factors in evaluating the shares; (2) excluding relevant evidence; (3) demonstrating bias;

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* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

and (4) not providing sufficient findings of fact or conclusions of law when it awarded sanctions, attorney fees, and costs and disbursements. We affirm (1) the district court's share valuation because it did not consider improper information in evaluating the shares; and (2) its evidentiary rulings because appellants did not move for a new trial. Further, appellant's arguments related to judicial bias do not present a basis for relief because there is no showing that the district court's conduct was prejudicial, biased, or deprived appellants of a fair trial. We also affirm the district court's award of attorney fees related to respondents' motion to compel. But we reverse and remand the district court's award of $3,572.50 in attorney fees to respondents related to their motion for sanctions because there are insufficient findings to permit meaningful appellate review.

FACTS

This case stems from a longstanding intrafamilial dispute that has spurred significant litigation. Appellants Charles Ward, Kathryn Blum, Dustin Ward, Kelsie Ward, and Kayla Ward are shareholders of Ward Family Inc. (WFI), a closely held family business. Individual-respondents Ann Sullivan, Molly Thompson, Kevin Ward, and Richard Ward are also shareholders.[1]

Background Information

"In the 1960s, Richard and [his then wife] Rosemary acquired 1,200 acres of rural property in Stearns County from Rosemary's parents. In the 1960s or 1970s, Richard and Rosemary also purchased El Rancho Manana, Inc. (ERM[]) from Rosemary's parents."

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[1] Because several parties share the same last name, we refer to them by their first names.

Blum v. Thompson, 901 N.W.2d 203, 208 (Minn. App. 2017), *rev. denied* (Minn. Oct. 25, 2017). Since the 1960s, ERM has operated a campground and riding stable on a portion of the 1,200-acre property.

Richard and Rosemary have seven children: Kathryn, Charles, Kevin, Thomas, Molly, Ann, and Maggie. Relevant to this appeal, their son Charles has three children: Dustin, Kayla, and Kelsie.

Richard and Rosemary dissolved their marriage in 1985. *Id.* The dissolution decree awarded the 1,200-acre property and all shares of ERM to Richard. *Id.* Richard continued operating ERM's campground and riding stable on a portion of the property. *Id.* Their son Kevin began managing ERM in the 1990s. *Ward v. El Rancho Manana, Inc.*, 945 N.W.2d 439, 443 (Minn. App. 2020), *rev. denied* (Minn. Oct. 1, 2020).

In 1998, Richard formed WFI to give the 1,200-acre property to his children. After forming WFI, ERM continued to operate a campground and riding stable on the property without a written lease agreement. *Id.*

Between 1998 and 2012, Richard gifted all but one of his shares in WFI to his children in equal amounts. Charles eventually gifted all but nine of his shares in WFI to his children—Dustin, Kayla, and Kelsie—in equal amounts. The following chart details WFI's shareholders at the time of trial.

Name (party on appeal)	Relation to Richard	Number of Shares
Richard Ward (respondent)	Self	1
Kevin Ward (respondent)	Son	142,857
Molly Thompson (respondent)	Daughter	142,857
Ann Sullivan (respondent)	Daughter	142,857
Thomas Ward (nonparty)	Son	142,857
Maggie Motyl (nonparty)	Daughter	142,857
Kathryn Blum (appellant)	Daughter	142,857
Charles Ward (appellant)	Son	9
Dustin Ward (appellant)	Grandson	46,116
Kayla Ward (appellant)	Granddaughter	46,116
Kelsie Ward (appellant)	Granddaughter	46,116
Rosemary Ward (nonparty)	Former Wife	4,500

Since 2012, the directors of WFI have been Richard, Molly, and Ann, and its officers have been Molly, as chief financial officer, and Ann, as chief executive officer.

In 2012, WFI and ERM entered into a written lease. Under the lease, ERM maintains the property, pays taxes and fees, and purchases insurance. In exchange, ERM leases the entire property for two, 20-year terms to WFI. The second 20-year term renews automatically in 2032 unless ERM declines renewal. The lease expires in 2052. In 2013, Kevin bought ERM from Richard. Kevin has been the sole shareholder of ERM since 2013.

Prior Litigation

Because some of the complaints that appellants raise repeat claims previously litigated, we summarize the prior litigation. In 2014, Kathryn, Charles, and Thomas sued Molly, Ann, Richard, Kevin, and WFI. *Blum*, 901 N.W.2d at 213. They alleged breach of fiduciary duty and oppression of minority shareholders' rights directly against the individual defendants. *Id.* They also brought derivative claims on behalf of WFI against the individual defendants, including breach of fiduciary duty, corporate waste, and unjust enrichment. *Id.* And they sought an accounting of WFI. *Id.* We affirmed the district court's summary-judgment dismissal of the derivative claims but reversed and remanded the district court's summary-judgment dismissal of the direct claims. *Id.* at 212-23. On appeal following remand, we affirmed the jury determination that none of the parties breached their fiduciary duties and affirmed the district court's rejection of the shareholder-oppression claim. *Blum v. Thompson*, No. A19-0938, 2020 WL 1983218, at *1-2, *8-12 (Minn. App. Apr. 27, 2020), *rev. denied* (Minn. July 23, 2020).

In 2018, Dustin, Kayla, and Kelsie brought a declaratory-judgment action against Richard, Kevin, Molly, Ann, and ERM, seeking judicial review of the lease between WFI and ERM. *Ward*, 945 N.W.2d at 444. Relevant to this appeal, Dustin, Kayla, and Kelsie alleged that the lease constituted an equitable mortgage, claiming that WFI was essentially financing ERM's purchase of the property over the lease term. *Id.* Also relevant to this appeal, the district court found that the shareholders had been reminded that WFI and ERM are distinct legal entities and that the only connection between the two companies was ERM's lease of WFI's land. The district court granted Richard, Kevin, Molly, Ann, and ERM's motion for summary judgment, determining that the issue was barred by res judicata. *Id.* We affirmed. *Id.* at 446.

This Case

In 2022, appellants Charles, Kathryn, Dustin, Kelsie, and Kayla sued respondents WFI, Ann, Molly, Kevin, and Richard. The lawsuit included several claims involving WFI and ERM. Respondents answered and counterclaimed, arguing that appellants were wasting WFI assets and seeking to buy out appellants' shares under Minn. Stat. § 302A.751, subd. 2 (2024). Respondents moved to dismiss appellants' complaint and sought sanctions for asserting meritless claims. The district court granted the motion in part and deferred ruling on the motion for sanctions. The district court later granted respondents' motion for attorney fees and expenses related to a motion to compel discovery but deferred ruling on the amount.

Later, the district court granted respondents' motion for summary judgment and dismissed the rest of appellants' claims. The district court determined appellants were wasting corporate assets and granted respondents' motion for a buyout. In July 2024, the district court held a bench trial to determine the value of WFI's shares. The district court heard testimony from four experts, including appellants' expert, Robert Strachota. Strachota determined that WFI was valued at $1.055 per share. The district court found Mr. Strachota's testimony credible and adopted his opinion that WFI was valued at $1.055 per share. The district court also awarded respondents $3,572.50 in attorney fees and expenses related to their sanctions motion and $3,215 in attorney fees and expenses related to their motion to compel discovery.

This appeal follows.

DECISION

I. The district court acted within its discretion in determining the fair value of the shares.

In challenging the district court's valuation, appellants argue that (1) the district court made a "grave error" by assuming that ERM was a distinct entity from WFI; (2) the district court abused its discretion by considering the original owner's wishes when determining the value of WFI; and (3) the valuation gave Kevin a windfall. We address each argument in turn.

Under Minn. Stat. § 302A.751, subd. 1(b)(5) (2024), a district court "may grant equitable relief it [finds] just and reasonable in the circumstances" if it determines that "corporate assets are being misapplied or wasted." Available equitable relief includes a buyout of a party's interests by the business entity. Minn. Stat. § 302A.751, subd. 2 (2024). The district court determined appellants engaged in corporate waste and ordered a buyout under Minn. Stat. § 302A.751, subd. 2. Appellants do not challenge the district court's buyout order on appeal.

When a buyout is ordered under Minn. Stat. § 302A.751, subd. 2, "[t]he purchase price of any shares so sold shall be the fair value of the shares." *Id.* A district court "has broad discretion both in the process and the ultimate determination of the 'fair value' of the shares to be sold." *Advanced Commc'n Design, Inc. v. Follett*, 615 N.W.2d 285, 290 (Minn. 2002).

We first conclude that res judicata bars appellants' argument related to whether the district court erred by determining that ERM was a distinct entity from WFI. "Under res judicata, a party is required to assert all alternative theories of recovery in the initial action." *Hauschildt v. Beckingham*, 686 N.W.2d 829, 840 (Minn. 2004). The doctrine acts as an absolute bar to subsequent litigation when four elements are met: "(1) the earlier claim involved the same set of factual circumstances; (2) the earlier claim involved the same parties or their privies; (3) there was a final judgment on the merits; (4) the estopped party had a full and fair opportunity to litigate the matter." *Id.*

We addressed res judicata in a previous appeal involving these underlying facts. In 2018, appellants challenged the lease between WFI and ERM, arguing that WFI was financing ERM's purchase of the property over the lease term. *Ward*, 945 N.W.2d at 444. The district court found that the shareholders had been informed that WFI and ERM were distinct legal entities and that the only connection between the two companies was ERM's lease of WFI's land. This finding was not challenged on appeal. *Id.* at 445-48. We affirmed the district court's determination that the issue was barred by res judicata because whether the lease harmed WFI had already been litigated. *Id.* at 448; *see Blum*, 901 N.W.2d at 215-16.

The facts have not changed here. Appellants continue to claim that their interest in WFI is harmed by WFI's lease with ERM. The previous claims involved the same parties or their privies. *See Ward*, 945 N.W.2d at 448 (concluding that privity exists between the WFI shareholders). There was a final judgment on the merits. *See id.* (noting previous litigation related to WFI and its lease with ERM). Appellants had the opportunity to argue that WFI and ERM were linked and therefore had a full and fair opportunity to litigate the matter. And appellants point to no record evidence that WFI and ERM were not separate legal entities. Again, the district court previously found that the shareholders had been informed that WFI and ERM were separate entities. And appellants have not shown how this district court abused its discretion by assuming that the companies were separate legal entities only connected by a lease.

Second, we conclude that the district court did not abuse its discretion by considering the wishes of the original owner, Richard, in determining the share valuation. As a basis for this argument, appellants appear to point to the district court's finding that Richard created WFI "as a means of eventually passing his property to his heirs. The corporation was never formed to generate revenue or profit for shareholders." Appellants provide no relevant record support showing that the district court considered Richard's wishes when determining the value of WFI. And even if appellants had shown that the district court considered Richard's intentions, they provide no authority establishing that a district court abuses its discretion by doing so. *See Follett*, 615 N.W.2d at 290 (noting that a district court has "broad discretion" in determining the fair value of shares).

We conclude that the record supports the district court's value determination. At trial, the district court heard from four witnesses about the value of WFI. Respondents called Brian Guggenberger and Jerry Bremer. Guggenberger provided an appraisal determining that WFI's 1,200 acres were worth $11,415,000 without the ERM lease and $140,000 with the lease. The district court found that it was "not convinced of the reasonableness of Mr. Guggenberger's testimony regarding the value of the land as of the trial." Bremer provided a business appraisal to value appellant's shares in WFI on behalf of respondents. Bremer opined that WFI had "negative value" due to its debts and other liabilities. The district court did not find Bremer's testimony helpful in determining the value of WFI. Appellants do not challenge either of these findings on appeal.

Appellants called Peter Guidera and Robert Strachota. Guidera provided a broker opinion of the value of WFI's land to appellant. He explained that a broker opinion is much less involved than an appraisal. Guidera opined that WFI's land could sell for $15-$20 million, but he was unaware of WFI's lease with ERM and did not factor the lease into his appraisal. Guidera testified that the lease would have a "negative impact" on the value. The district court did not find Guidera's testimony helpful for several reasons, including that he was unaware of the lease when he developed his opinion, and his demeanor changed when he testified about the lease. *See Landmark Cmty. Bank, N.A. v. Klingelhutz*, 927 N.W.2d 748, 755 (Minn. App. 2019) (explaining that appellate courts "defer to a district court's credibility determinations").

The district court found that appellants' witness Strachota provided the "most persuasive evidence as to the value or the shares of WFI." Strachota prepared a real estate and business appraisal and opined that the lease decreased the value of the property. He determined that WFI was worth $1,060,000 or $1.055 per share.

The district court's order shows that it relied on appellant's own expert's testimony and opinion in determining the fair value of WFI's shares. When considering the district court's "broad discretion both in the process and ultimate determination of the 'fair value'" of shares to be sold, *Follett*, 615 N.W.2d at 290, we cannot say that it abused its discretion in its valuation of the shares.

II. Appellants failed to preserve for our review their challenges to the district court's evidentiary rulings.

Appellants contend that the district court improperly admitted a lease, refused to admit a 2012 appraisal of the property and other evidence pertaining to WFI's value, refused to admit "evidence demonstrating that even respondents think approximately $1 million is a ridiculously low assessment of WFI's true value," and refused appellants' requests to recall witnesses.

Evidentiary rulings are "within the broad discretion of the [district] court and its ruling[s] will not be disturbed unless [they] [are] based on an erroneous view of the law or constitute[] an abuse of discretion." *Kroning v. State Farm Auto. Ins. Co.*, 567 N.W.2d 42, 45-46 (Minn. 1997) (quotation omitted). The complaining party has the burden of proving both abuse of discretion and resulting prejudice. *Id.* at 46. "An error is prejudicial if it might reasonably have changed the result." *Torchwood Props., LLC v. McKinnon*, 784 N.W.2d 416, 419 (Minn. App. 2010) (quotation omitted).

We conclude that appellants failed to preserve their objections to the district court's evidentiary rulings for our review. "It has long been the general rule that matters such as trial procedure, evidentiary rulings and jury instructions are subject to appellate review only if there has been a motion for a new trial in which such matters have been assigned as error." *Sauter v. Wasemiller*, 389 N.W.2d 200, 201 (Minn. 1986); *see also* Minn. R. Civ. App. P. 103.04 ("The scope of review afforded may be affected by whether proper steps have been taken to preserve issues for review on appeal, including the existence of timely and proper post-trial motions."). "Thus, evidentiary rulings made at trial must be assigned as error in a motion for a new trial or amended findings in order to properly preserve an objection for appellate review." *Continental Retail, LLC v. County of Hennepin*, 801 N.W.2d 395, 399 (Minn. 2011). Because appellants failed to bring posttrial motions, we conclude that they did not properly preserve their evidentiary objections for our review.

III. The district court did not exhibit judicial bias.

Appellants assert that the district court exhibited judicial bias by making objections on behalf of respondents and disallowing certain lines of questions. Appellate courts presume that a district court judge "has discharged her duties properly." *Hannon v. State*, 752 N.W.2d 518, 522 (Minn. 2008). Further, "[p]revious adverse rulings by themselves do not demonstrate bias," but "the record as a whole" must exhibit judicial bias. *Id.* In evaluating claims of judicial bias, appellate courts "have considered whether the [district court] considered arguments and motions made by both sides, ruled in favor of a complaining defendant on any issue, and took actions to minimize prejudice to the [party]." *Id.*

Appellants fault the district court for raising objections on behalf of respondents. Appellants first point to the following exchange:

> APPELLANTS' COUNSEL: Okay. So, are you aware of whether any saw logs have been used to make furniture or a table or bar or anything like that?
>
> WITNESS: I have been told that—
>
> THE COURT: Just wait. That might be hearsay.
>
> THE WITNESS: Sorry.
>
> THE COURT: I have been told.

> APPELLANTS' COUNSEL: Okay. Well, maybe we can restate this. I'm just asking about your awareness, not what anybody told you. I want to know what you're aware of.

The district court allowed questioning to continue.

Appellants next point to the following interaction:

> APPELLANTS' COUNSEL: In what way would you amend or change the lease with ERM?
>
> THE COURT: I'm going to object for Mr. Wills. How is that relevant?
>
> APPELLANTS' COUNSEL: I guess I don't understand why the other shareholders—if we're saying here and everyone's testimony under oath is saying that no one has control of the company, even the board of directors who all vote as a block and that my clients, as minority shareholders, lack control, which I'm trying to establish, but I'm not able to, how can it be that my client cannot be asked the same question even though she doesn't sit on the board as a minority shareholder if she would change anything?
>
> [Respondents' counsel] was able to ask his clients, "If you had the opportunity to change the lease with ERM . . ." that was apparently a relevant question to them, but it's not to my clients? I'm not understanding why there seems to be an appearance of bias.
>
> THE COURT: Okay.
>
> APPELLANTS' COUNSEL: Why [respondents' counsel's] clients are asked that and get to answer as to what they would hypothetically do if that was given to them but my clients are not able to answer to that.

> THE COURT: [Appellant's counsel], I'm in the interest—I'm trying to keep things moving along. I don't think it was irrelevant, but you didn't interpose an objection. And we've got a long pause, so I'll let her answer. I just don't think it's relevant. You can answer. Would you change the lease? Sure.

Again, the district court allowed questioning to continue.

Appellants also point to the following exchange:

> RESPONDENTS' COUNSEL: Objection; undisclosed opinion.
>
> THE COURT: I'll allow it.
>
> WITNESS: I know of Mr. Guidera. He is a broker that's recognized in the marketplace. I run across him every so often.
>
> THE COURT: That's not responsive to the question. You're bolstering another witness's testimony. So, if you could just answer the question.
>
> WITNESS: Okay. He is a good broker. He . . .

Appellants' counsel did not challenge this interaction, and the district court allowed the witness to answer the question.

Appellants also address the following interaction:

> RESPONDENTS' COUNSEL: I'm going to object; relevance, undisclosed opinion.
>
> THE COURT: And isn't this beyond the scope of cross?
>
> RESPONDENTS' COUNSEL: And beyond the scope of cross.
>
> THE COURT: [Appellants' counsel]?
>
> APPELLANTS' COUNSEL: Well, I believe it is in his report and maybe if you can identify the page number as where, you know, the taxation treatment of the property played a role in the appraisal that might be helpful.

> THE COURT: So, I'll sustain the objection.
>
> APPELLANTS' COUNSEL: I'll restate the question.
>
> THE COURT: Thank you.

Here, too, although counsel had to restate the question, appellants were allowed to continue with the line of questioning.

Finally, appellants point to the following discussion:

> APPELLANTS' COUNSEL: What documents from the county are you referring to that gave you some clue or idea that this was happening?
>
> WITNESS: After we did a data access from the county, we demanded that they give us all of their records because our board refused to give us any information—
>
> THE COURT: Move to strike the last part. If you could just answer the question, we'll move this along.
>
> THE WITNESS: I'm sorry.
>
> APPELLANTS' COUNSEL: Okay. So, you have personal knowledge of documents from Stearns County that relate to the failed septic systems on Ward Family, Inc. land?

Again, appellants were able to continue their questioning of the witness but chose to reframe their question.

Appellants also contend that the district court "needlessly chastis[ed] [a]ppellants' attorney from the bench in a fashion markedly different from how [r]espondents' attorney was treated." Appellants cite an exchange in which the district court, in explaining its decision to sustain an objection to appellants' question, informed counsel that it "[had] concerns that this [question] is just meant to disparage the other side because of involvement of third parties on a variety of reasons." In a separate statement, the district court informed appellants' counsel that it "[did not] appreciate that colloquy that [she] just put on the record. If you want [the witness] to provide expert testimony then we need to clarify that [the witness's] expert testimony was disclosed[.]" Appellants also point to a statement in which the district court expressed concerns that the evidence appellants' attorney "was soliciting would cause the court to have to find that the value of shares is worth even less than her expert witness's testimony."

Assuming without deciding that appellants' argument is properly before us, we conclude that appellants did not establish bias. "Even if a [district] court's comments are not always appropriate, appellate courts will not intervene unless the comments were 'prejudicial, biased or deprived plaintiffs of their right to a fair trial.'" *In re Welfare of D.J.N.*, 568 N.W.2d 170, 176 (Minn. App. 1997) (quoting *Uselman v. Uselman*, 464 N.W.2d 130, 139 (Minn. 1997)). And there is also less concern over a district court's "questions and tone of voice" in a bench trial. *Id.*

Appellants have not shown how the district court's questions and comments were inappropriate, biased, or prejudicial, particularly considering the district court's latitude in managing trial procedure. *See* Minn. R. Evid. 611 ("The court shall exercise reasonable control over the mode and order of interrogating witnesses and presenting evidence."). The district court's order establishes that it carefully considered the applicable law in making its decision. The district court also determined that one of appellants' expert witnesses provided the most credible testimony of the four expert witnesses, including two of respondents' expert witnesses. And the district court extended the length of the trial beyond its original allotted time to accommodate appellants' desire to present another witness. On this record, we conclude that the district court did not show bias.

IV. The district court did not abuse its discretion in awarding costs related to the motion to compel discovery, but did not make sufficient findings to permit meaningful appellate review of its order granting the motion for sanctions.

When the district court granted respondents' request for costs related to the motion to compel discovery and respondents' motion for sanctions related to the motion to dismiss, it ordered that (1) appellants pay $3,215 in sanctions for the costs respondents incurred in bringing their motion to compel discovery and that (2) appellants pay $3,572.20 in sanctions for the costs respondents incurred in bringing their motion for sanctions. Appellants argue that the district court granted respondents' motion for sanctions and awarded costs and disbursements without sufficient findings.

Appellate courts review a district court's decision to award costs and sanctions for an abuse of discretion. *See Buscher v. Montag Dev., Inc.*, 770 N.W.2d 199, 211-12 (Minn. App. 2009) (explaining that the district court did not abuse its discretion by refusing to award costs associated with a motion).

In the spring of 2023, respondents moved for sanctions, asserting that appellants' legal claims lacked merit. The district court deferred ruling on the motion, noting that it was "inclined to award [respondents'] costs and disbursements," and that "several of [appellants'] claims were/are clearly without merit."

At the close of trial, the parties agreed to submit closing arguments in writing. Respondents' brief and closing arguments stated that they "incurred $3,215 in attorney[] fees and expenses related to the motion to compel." It did not, however, address the attorney fees associated with the motion for sanctions or state that they incurred $3,572.50 for attorney fees associated with the motion to dismiss. Yet the district court awarded respondents $3,572.50 in attorney fees and expenses related to their motion to dismiss. It also awarded respondents $3,215 for attorney fees and expenses associated with their motion to compel discovery.

We begin by addressing the award of $3,215 in attorney fees related to respondents' motion to compel discovery. We do not presume error by the district court, "and the complaining party has the obligation to provide the appellate court with a record sufficient to show any alleged error." *Butler v. Jakes*, 977 N.W.2d 867, 873 (Minn. App. 2022). Appellants had an opportunity to challenge the amount requested at the close of the trial but failed to do so. And appellants also moved to amend the judgment after trial without challenging this award. Because appellants did not demonstrate an abuse of discretion associated with the district court's award of $3,215 in attorney fees related to respondents' motion to compel, we affirm that award.

We next address the award of $3,572.50 in attorney fees related to respondents' motion for sanctions. Minnesota Rule of Civil Procedure 11.02 provides that an attorney, by submitting a pleading, certifies that it is "not being presented for any improper purpose" and the legal contentions "therein are warranted by existing law or by a nonfrivolous argument for" modifying the law. Under rule 11.03, a district court may award sanctions upon a proper showing that rule 11.02 has been violated. In such an award, the district court must "describe the conduct determined to constitute a violation of this rule and explain the basis for the sanction imposed." Minn. R. Civ. P. 11.03(c). Additionally, a district court must make sufficient findings to permit meaningful appellate review. *See Woodrich Const. Co. v. State*, 177 N.W.2d 563, 565 (Minn. 1970) (reversing and remanding because the district court's findings were insufficient to determine "the basis upon which the [district court] reached its ultimate conclusion"). In its award of sanctions, the district court did not identify the precise basis on which it was imposing sanctions, issue an order to show cause, or otherwise follow the proper procedures before imposing the sanctions. Because the district court's order did not identify the precise basis under rule 11 for awarding sanctions or provide appellants with an opportunity to respond, we conclude the district court erred and accordingly reverse and remand for additional proceedings on the sanctions motion.[2]

Affirmed in part, reversed in part, and remanded.

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[2] We also consider appellants' assertion that the district court's determination that respondents were the prevailing party for purposes of taxing costs and disbursements is without sufficient explanation. But appellants do not present an argument that the district court erred in making this determination, and we as an appellate court do not presume error. *See Butler*, 977 N.W.2d at 873. And the record supports the district court's determination that respondents were the prevailing party because the district court granted respondents' motion to dismiss in part, dismissed appellants' surviving claims at summary judgment, and ordered a buyout of appellants' shares at respondents' request.