This opinion is nonprecedential except as provided by Minn.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
A25-0439

Aaron Olson,
Appellant,

vs.

Matthew Joseph Freeman, et al.,
Defendants,

Kappa Sigma 5th Street Brothers, LLC,
Respondent.

Filed December 15, 2025
Affirmed
Bjorkman, Judge

Hennepin County District Court
File No. 27-CV-23-2429

Aaron Olson, Minneapolis, Minnesota (pro se appellant)

Christopher L. Goodman, Richard J. Sauceda, Thompson, Coe, Cousins & Irons, LLP, St. Paul, Minnesota (for respondent)

Considered and decided by Slieter, Presiding Judge; Bjorkman, Judge; and Bratvold, Judge.

NONPRECEDENTIAL OPINION

BJORKMAN, Judge

Appellant Aaron Olson challenges the dismissal of his negligence claims against respondent Kappa Sigma 5th Street Brothers, LLC (the LLC), arising from injuries Olson sustained when he was struck by a vehicle driven by an intoxicated person leaving a party at the LLC. Because Olson's amended complaint does not state a claim against the LLC on which relief may be granted, we affirm.

FACTS

In October 2021, Olson injured his knee when he was struck by a "vehicle full of loud and obviously intoxicated people" leaving a party hosted by the LLC. The vehicle's occupants were "still drinking alcohol from disposable cups," and Olson had observed that the driver "was clearly staggering and slurring his speech." Before the vehicle sped off, its passengers said that the driver "was not of legal age" to consume alcohol.

Olson commenced this action in February 2023, naming the LLC and four other defendants: Matthew Freeman, Gerald Freeman, Kappa Sigma Fraternity, and Regents of the University of Minnesota. Olson's complaint asserted negligence claims based on premises liability and common-law social-host liability. Among other things, the complaint alleged that (1) Matthew Freeman was the president of the LLC, managed the party, and was over 21 years old; (2) Gerald Freeman was an agent of the LLC; and (3) the LLC is vicariously liable for the negligent conduct of the Freemans.

In May 2023, Olson stipulated to the dismissal with prejudice of all claims against Matthew Freeman, Gerald Freeman, and Kappa Sigma Fraternity. The district court then granted the defense motion to dismiss the remaining claims against the LLC and the Regents. This court affirmed the dismissal of all claims against the Regents and the dismissal of the premises-liability claim against the LLC. But we reversed the dismissal of Olson's common-law social-host liability claim against the LLC and remanded for further proceedings. *Olson v. Freeman*, No. A23-1426, 2024 WL 2270325, at *3 (Minn. App. May 14, 2024) (first appeal).

On remand, the LLC again moved to dismiss the complaint, arguing that Olson does not have a direct claim against the LLC for social-host liability and that his release of all claims against the Freemans released his vicarious social-host liability claim against the LLC. Olson later moved to amend his complaint to add a claim under Minn. Stat. § 340A.90 (2024), the social-host liability statute. The LLC opposed the motion, contending the proposed amendment was futile for the reasons it had advanced in its dismissal motion. Following a hearing, the district court denied Olson's motion to amend and granted the LLC's motion to dismiss.

Olson appeals.

DECISION

A complaint is subject to dismissal if it fails "to state a claim upon which relief can be granted." Minn. R. Civ. P. 12.02(e). A claim withstands a rule 12.02(e) motion to dismiss if "it is possible on any evidence which might be produced, consistent with the pleader's theory, to grant the relief demanded." *Walsh v. U.S. Bank, N.A.*, 851 N.W.2d 598, 603 (Minn. 2014). We review a rule 12.02(e) dismissal de novo. *Brisson v. State*, 994 N.W.2d 920, 923 (Minn. App. 2023), *rev. denied* (Minn. Aug. 6, 2024). In doing so, we accept the facts alleged in the complaint as true and construe all reasonable inferences in favor of the nonmoving party. *Sterry v. Minn. Dep't of Corr.*, 8 N.W.3d 224, 235 (Minn. 2024).

Olson asserts that the district court erred by dismissing his complaint for failing to state an actionable claim. He presents several arguments, which are best understood to contend that the district court erred by (1) depriving him of his right to be heard on the LLC's motion to dismiss, (2) not following this court's determination that the LLC is vicariously liable as principal for the Freemans' negligent acts, and (3) determining that the LLC cannot be held directly liable for violating the social-host liability statute because the LLC is not a natural person. We address each argument in turn.

I. Olson's right to be heard on the LLC's motion to dismiss was vindicated.

Olson argues that the district court erred by not holding a hearing on the LLC's motion to dismiss. We are not convinced. It is true that the focus of the motion hearing was Olson's request to amend his complaint, not the LLC's motion for judgment on the pleadings. And the district court—after denying Olson's motion—indeed granted the LLC's motion without conducting a second hearing. But it is also true that the LLC's arguments opposing Olson's motion to amend were essentially the same as the arguments it advanced in its motion to dismiss—that even with the proposed amendment, Olson's complaint fails to state a claim upon which a court could grant the relief Olson requests. The LLC asserted that Olson's proposed amendment would be futile because an LLC is not subject to direct liability as a social host, and Olson's release of his claims against the LLC's purported agents (the Freemans) destroys any potential vicarious liability. *See U.S. Bank Nat'l Ass'n v. RBP Realty, LLC*, 888 N.W.2d 699, 705 (Minn. App. 2016) (stating a party "may not amend the complaint if the proposed amendment would be futile because it would serve no useful purpose"), *rev. denied* (Minn. Apr. 18, 2017). In other words, Olson had the opportunity to challenge the LLC's arguments in both his written submissions on the two motions and during the court hearing. On this record, we see no error or abuse of discretion by the district court in granting the LLC's motion to dismiss without conducting a second hearing. *See Pfeiffer ex rel. Pfeiffer v. Allina Health Sys.*, 851 N.W.2d 626, 636 n.7 (Minn. App. 2014) (noting that enforcement of the general rules of practice is "left to the discretion of the district court"), *rev. denied* (Minn. Oct. 14, 2014).

II. Olson's release of all claims against the LLC's agents released his vicarious liability claims against the LLC.

A principal may be "held vicariously liable to another, irrespective of its own fault, for the actionable conduct of its agent." *Remodeling Dimensions, Inc. v. Integrity Mut. Ins.*, 819 N.W.2d 602, 614 (Minn. 2012). But the principal's vicarious liability exists "*only* if the agent would be liable to the third party for that act." *Id.* at 615. For this reason, "[t]he well-established common law rule is that the release of the agent releases the principal from vicarious liability." *Booth v. Gades*, 788 N.W.2d 701, 707 (Minn. 2010).

Olson stipulated to the dismissal, with prejudice, of his claims against Matthew Freeman and Gerald Freeman. The Freemans are the only persons Olson identified and sued as agents of the LLC. Because Olson dismissed all his claims against the Freemans with prejudice, we discern no error by the district court in dismissing Olson's claims that the LLC is vicariously liable for the Freemans' conduct. In fact, dismissal of Olson's vicarious-liability claims against the LLC accords with the "well-established common law rule . . . that the release of the agent releases the principal from vicarious liability." *Id.*

To persuade us otherwise, Olson points again to the district court's failure to conduct a separate hearing on the LLC's motion to dismiss. He argues that if a second hearing had been held, he "would have shown proof" that, under the settlement agreement, "the dismissal of claims against [the Freemans] was expressly contingent on [Olson] being able to maintain suit against the LLC on the merits." We are not persuaded for three reasons.

First, Olson presents this argument for the first time on appeal; he neither raised it in his written response to the LLC's motion to dismiss nor during the motion hearing during which the effect of the settlement was discussed. Accordingly, the argument is not properly before us. *Doe 175 ex rel. Doe 175 v. Columbia Heights Sch. Dist., ISD No. 13*, 842 N.W.2d 38, 42 (Minn App. 2014). Second, the record defeats Olson's contention. The stipulation Olson signed states that "all claims . . . Olson asserted . . . against Defendants . . . Matthew Joseph Freeman and Gerald Freeman may be dismissed on the merits with prejudice." Nothing in the stipulation itself suggests that Olson's release of his claims against the Freemans was conditional. Third, Olson cites nothing in the record to support his bald assertion that the dismissal with prejudice left open any claims against the Freemans. "The Minnesota Rules of Civil Appellate Procedure are clear that documents not filed with the district court are not part of the record on appeal." *Derksen v. Comm'r of Pub. Safety*, 11 N.W.3d 340, 344 (Minn. App. 2024) (citing Minn. R. Civ. App. P. 110.01).

Olson next directs us to his proposed amended complaint, which alleges "there were likely more agents of the LLC . . . who were at least 21 years old, who also . . . furnished alcohol to minors." But Olson neither named other persons as agents nor asserted claims against any other purported agent as an unknown party under Minn. R. Civ. P. 9.08.[1] Moreover, Olson's reply brief in this court expressly states, "At this time, [Olson] is only pursuing the LLC for its role in injuring [Olson], and not its other agents personally, aside from the Freemans if necessary to maintain suit against the LLC."

Finally, Olson contends that we decided—in the first appeal—that the LLC is vicariously liable for the Freemans' negligence and the LLC is collaterally estopped from arguing otherwise. We are not convinced. To begin with, the collateral-estoppel doctrine does not apply under the circumstances of this case. *Barth v. Stenwick*, 761 N.W.2d 502, 508 (Minn. App. 2009) (stating collateral estoppel applies when, among other things, "there was a final judgment on the merits in [a] prior proceeding"). Rather, we consider whether our decision in the first appeal established the law of the case on Olson's vicarious-liability claim. *See State v. Miller*, 849 N.W.2d 94, 98 (Minn. App. 2014) ("Law-of-the-case doctrine commonly applies to issues decided in earlier stages of the same case." (quotation omitted)). We conclude that it did not. The parties to the first appeal did not ask us to, and we did not decide, whether the LLC could be held vicariously liable as principal in light of Olson's release of all claims against its agents, the Freemans. We only held that Olson pleaded sufficient facts to survive a motion to dismiss his social-host claim. *Olson*, 2024 WL 2270325, at *2.

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[1] At the time Olson moved to amend his complaint, the deadline for adding parties had passed.

In short, accepting Olson's factual allegations as true, we conclude that Olson's release of all claims against the Freemans (as agents) also released his vicarious social-host liability claim against the LLC (as principal).

III. The LLC is not directly liable for providing alcohol to a person under the age of 21.

Olson argues that the LLC is directly liable for furnishing alcohol to a minor under the social-host liability statute. And he appears to argue the LLC is directly liable under the Minnesota Civil Damages Act (CDA), Minn. Stat. § 340A.801 (2024). Neither argument persuades us to reverse.

The social-host liability statute provides:

> A . . . person injured . . . by an intoxicated person under 21 years of age or by the intoxication of another person under 21 years of age, has . . . a right of action . . . against a person who is 21 years or older who:
>
> (1) had control over the premises and, being in a reasonable position to prevent the consumption of alcoholic beverages by that person, knowingly or recklessly permitted that consumption and the consumption caused the intoxication of that person; or
>
> (2) sold, bartered, furnished or gave to, or purchased for a person under the age of 21 years alcoholic beverages that caused the intoxication of that person.

Minn. Stat. § 340A.90, subd. 1(a)(1)-(2). The district court determined that Olson did not state an actionable claim under this statute because the LLC is not a "person who is 21 years or older." We agree with the district court.

Although not binding authority, we are guided by the federal district court's determination that the social-host liability statute applies only to natural persons. *Shank v.*

Carleton Coll., 232 F. Supp. 3d 1100, 1116 (D. Minn. 2017).[2] Shank asserted a claim against the college under the social-host liability statute, alleging that she was twice assaulted by underage students who obtained alcohol from older students at a campus party. *Id.* at 1105-06. The college moved to dismiss, arguing that the statute applies only to natural persons 21 years old or older, not to legal entities. *Id.* at 1115. Shank pointed out that Chapter 340A incorporates a broader definition of "person," which may include "bodies politic and corporate." *Id.* (quoting Minn. Stat. § 645.44, subd. 7 (2016)); *see* Minn. Stat. § 340A.101, subd. 23 (2024) (stating that "person" has the meaning given in Minn. Stat. § 645.44, subd. 7 (2024)).

To resolve the dispute, the *Shank* court considered the statute in the context of the legislature's broader treatment of social-host liability. In doing so, the court noted the numerous times the legislature amended the CDA in response to supreme court decisions that applied its provisions to social hosts, culminating in the passage of the social-host liability statute. *Id.* at 1115. It observed that this history "demonstrates that the legislature chose its words carefully." *Id.* With that in mind, the court reasoned that the word "person" can be understood only as a reference to a natural person—a flesh-and-blood human. *Id.* at 1116. This is so because "person" appears as part of the phrases "[a] person under 21 years of age," and "a person who is 21 years or older," clearly indicating the legislature's intention that—in the context of the social-host liability statute—"person" means "natural

[2] While a "federal court's interpretation of Minnesota law is not binding on this court, . . . it may have persuasive value." *TCI Bus. Cap., Inc. v. Five Star Am. Die Casting, LLC*, 890 N.W.2d 423, 431 (Minn. App. 2017).

persons." *Id.* (quotation omitted); Minn. Stat. § 645.44, subd. 1 (2024) (stating terms defined in section 645.44 "shall have the meanings given them in this section, unless another intention clearly appears"). We find this reasoning persuasive and likewise conclude that the LLC is not a "person" subject to direct liability under the social-host liability statute.

To the extent that Olson contends the LLC is directly liable under the CDA, that contention fares no better. The CDA provides: "A . . . person injured . . . by an intoxicated person . . . has a right of action . . . against a person who caused the intoxication of that person by illegally *selling* alcoholic beverages." Minn. Stat. § 340A.801, subd. 1 (emphasis added). The italicized portion is significant because our supreme court has interpreted the CDA to allow suits only against commercial vendors or those in the business of selling alcohol. *Cady v. Coleman*, 315 N.W.2d 593, 596 (Minn. 1982).

Olson's complaint does not allege that the LLC is a commercial vendor of alcoholic beverages or is in the business of selling alcohol. At most, a liberal construction of the complaint supports allegations that the LLC "*furnishe[d]* alcoholic beverages" and that Matthew Freeman "likely *provided* the alcohol." (Emphasis added.) Because Olson does not allege that the LLC engaged in conduct contemplated by the CDA, the CDA does not provide a basis for holding the LLC directly liable for Olson's injuries.

In sum, we discern no error by the district court in dismissing Olson's complaint for failing to state a claim on which relief may be granted.

Affirmed.