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

**STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1143**

Tyler Andrew Nesbit,
Respondent,

vs.

Michelle Ilene Covell-Paulzine,
Appellant.

**Filed March 9, 2026
Remanded
Bentley, Judge**

Douglas County District Court
File No. 21-CV-23-4

Nicholas D. Henry, Dudley and Smith, P.A., Mendota Heights, Minnesota (for respondent)

Jevon C. Bindman, Annika C. Misurya, Maslon LLP, Minneapolis, Minnesota (for appellant)

Considered and decided by Bentley, Presiding Judge; Frisch, Chief Judge; and Worke, Judge.

NONPRECEDENTIAL OPINION

BENTLEY, Judge

In this appeal from a district court judgment partitioning a property with a home, appellant argues that the district court abused its discretion by ordering a partition by sale rather than a partition in kind or another equitable method. Alternatively, she asks this court to reverse and remand the partition by sale on the basis that the district court abused its

discretion by allocating the proceeds of the sale between the parties inequitably. We remand the matter to the district court for additional findings.

FACTS

The following facts derive from a court trial and the record before the district court in the partition proceeding. Appellant Michelle Covell-Paulzine and respondent Tyler Nesbit bought a home together in 2020, after several years in a romantic relationship. They purchased the home for \$250,000 as joint tenants. Nesbit provided \$15,379.97 for a down payment, and the parties secured a mortgage for the balance of the purchase price. The first year in the home, Nesbit made the mortgage payments and Covell-Paulzine paid for the utilities. Nesbit explained in his testimony that this split was intended to help Covell-Paulzine with finances as she worked to start a daycare business in the home. After the first year, they split the mortgage payments and Covell-Paulzine continued to pay the majority of utilities and shared expenses with Nesbit contributing inconsistently.

Covell-Paulzine opened a daycare business in the home, which she still operated at the time of trial. She pursued several home-improvement grants related to the daycare, including a monthly grant for operating the business, and three large grants for a fence, bedding, and flooring. Each large grant required Covell-Paulzine to continue operating the business for a certain amount of time until the grant vested, or she would have to repay it. At the time of the district court's judgment, only one grant remained unvested. Nesbit knew about the grants, but he "stayed out of that" and did not sign any associated paperwork.

In August 2022, Nesbit and Covell-Paulzine ended their relationship. Nesbit moved out of the home in December 2022, at which time Covell-Paulzine began making all the mortgage and utilities payments, though the parties did not formalize any arrangement.

Nesbit brought a partition action pursuant to Minnesota Statutes section 558.01 (2024) against Covell-Paulzine in January 2023. In the complaint, Nesbit requested either “a partition of the subject real property according to the respective rights of the parties,” or alternatively, “a sale of said premises if physical partition cannot be had without great prejudice to the owners.” Covell-Paulzine proposed in her answer that she instead assume the mortgage and that a quit claim deed be executed “releasing [Nesbit] from the real property.”

During the partition proceedings, Covell-Paulzine began experiencing significant health problems that left her unable to work for several months and affected her ability to afford the monthly mortgage payments. Covell-Paulzine worked out a forbearance agreement with her home’s mortgage lender in late 2023 to pause payments until she was able to return fully to work. Although Nesbit was aware of Covell-Paulzine’s health challenges, Covell-Paulzine did not tell Nesbit about the forbearance. As part of the forbearance agreement, in May 2024, Covell-Paulzine pursued a partial claim mortgage modification to defer repayment of \$18,895.40 to the end of the mortgage’s term. To finalize the agreement, the servicers required Nesbit’s signature. Covell-Paulzine contacted Nesbit for his signature, but he refused to sign the paperwork. Nesbit testified that his hesitancy to sign came from his unfamiliarity with the documents and his lack of trust in Covell-Paulzine. After several weeks without a signature, Covell-Paulzine’s counsel filed a

letter with the district court requesting that the court order Nesbit to sign the partial claim. That partial claim was denied after the paperwork was not timely signed by both Covell-Paulzine and Nesbit, which resulted in the mortgage lender categorizing the unpaid mortgage payments as missed payments. Covell-Paulzine then pursued a second partial claim mortgage, which was properly signed and executed. In total, 14 months of payments were missed, \$31,261.91 was added to the end of the mortgage's term, and both Nesbit's and Covell-Paulzine's credit scores were harmed by the missed payments.

The district court held a court trial in March 2025. At trial, both Nesbit and Covell-Paulzine testified, and they continued to disagree over how the home should be partitioned. Nesbit testified that his ideal partition arrangement would be to sell the home, receive his "down payment back," and split the remaining sale proceeds equally between himself and Covell-Paulzine. Covell-Paulzine stated that she still wanted to assume the mortgage herself, but because of the damage to her credit from the missed payments, she "would have to wait a little while before [she] would be able to assume the mortgage."¹ She asked the court for five years to work toward assuming the mortgage. Covell-Paulzine stated that she would continue to make the monthly payments during that time and, if she was unable to afford the payments or late to pay them, she would list the property for sale immediately. She also noted a number of improvements that she made to the home for the court to consider, including the flooring from the grant and a "number of different appliances," including a

¹ She also noted that refinancing was a potential option rather than assuming the mortgage, but that would increase her interest rate to the point where she would be unable to afford the monthly payments.

new furnace and a water heater. In response to Covell-Paulzine's proposed solution of assuming the mortgage herself, Nesbit stated that he would accept that only if "she could pay [him] out," but he did not "feel like [he] should just walk away from this whole thing."

The parties submitted written closing arguments. In Covell-Paulzine's closing argument, she introduced new arguments about the negative effect selling the home would have on her three children, stating that "forcing a sale would mean displacing them from the only home they have known." She further asserted that selling the home would mean the closure of her in-home daycare business. Nesbit responded that these arguments were not supported by evidence introduced at trial.

The district court entered judgment on the case in June 2025. In its order, the district court found that a partition in kind is not practicable because (1) "when [Covell-Paulzine] agreed to be solely responsible for the mortgage, she missed fourteen (14) payments, resulting in damage to both parties' credit and additional sums added to the mortgage balance"; (2) Covell-Paulzine "intentionally withheld information," her "deceptive behavior was willful and intentional," and "the Court finds little ground to trust [her] to make payments and communicate issues"; and (3) Covell-Paulzine did not provide sufficient information to show that she could make mortgage payments or buy-out Nesbit's interest. It therefore concluded that an in-kind partition could not be achieved without great prejudice to one or both of the parties. The court ordered the home to be listed for sale within 90 days, and once sold, the proceeds should be allocated as follows: "(1) to all fees and expenses of the sale; (2) payment of all outstanding mortgages, liens, and

encumbrances upon the property; (3) the sum of \$19,980.00 to [Nesbit]; and (4) the balance, if any, to be divided equally between the parties.”²

Covel-Paulzine appeals.

DECISION

We review the district court’s partition decision for an abuse of discretion, *Glenwood Inv. Props., L.L.C. v. Britton Fam. Tr.*, 765 N.W.2d 112, 117 (Minn. App. 2009), and the facts underlying a partition order for clear error, *Anderson v. Anderson*, 560 N.W.2d 729, 730 (Minn. App. 1997), *rev. dismissed* (Minn. May 28, 1997). “[F]indings are clearly erroneous when they are manifestly contrary to the weight of the evidence or not reasonably supported by the evidence as a whole.” *In re Civ. Commitment of Kenney*, 963 N.W.2d 214, 221 (Minn. 2021) (quotation omitted). When reviewing findings of fact for clear error, appellate courts do not reweigh evidence, reconcile conflicting evidence, or engage in fact finding. *Id.* at 221-22. We will not set aside a finding unless we are “left with a definite and firm conviction that a mistake was made.” *Beebout v. Beebout*, 447 N.W.2d 465, 467 (Minn. App. 1989).

Covel-Paulzine argues that the district court abused its discretion by ordering a partition by sale, rather than a partition in kind or another equitable partition method. Specifically, she challenges several factual findings in the order as clearly erroneous. She also argues that the district court erred by not considering the prejudice she will experience

² The \$19,980.00 sum represented Nesbit’s mortgage payments for the first year of owning the home and was set out in the court’s factual findings.

if her home is sold, and she suggests that alternative partition options may minimize prejudice to both parties.

Alternatively, she argues that, if partition by sale was proper, then the district court abused its discretion in its allocation of sale proceeds. Because we remand for additional findings with respect to her first argument, we do not reach her arguments about the allocation of proceeds. We therefore turn to her challenges to the district court's factual findings and consideration of prejudice to the parties.

Factual Challenges

Covel-Paulzine challenges several factual findings in the district court's order as clearly erroneous. She argues that these erroneous findings led the district court to improperly conclude that Nesbit would experience great prejudice if a partition by sale was not ordered.

Covel-Paulzine first disputes the court's findings related to her culpability in increasing the mortgage balance and in harming Nesbit's credit. The district court found, "[W]hen [Covel-Paulzine] agreed to be solely responsible for the mortgage, she missed fourteen (14) payments, resulting in damage to both parties' credit and additional sums added to the mortgage balance." The district court also found that Covel-Paulzine negotiated the partial claim agreements "[w]ithout [Nesbit's] participation or knowledge," which resulted in the additional funds being added to the end of the mortgage.

We are not persuaded that those findings are clearly erroneous. At trial, Nesbit and Covel-Paulzine each testified that they assumed that Covel-Paulzine would take over the mortgage payments after Nesbit moved out. During the period when Covel-Paulzine was

solely responsible for the mortgage, 14 monthly payments were not made, and those payments are now considered missed by the mortgage company. We acknowledge that fewer payments may have been missed if Nesbit had timely signed the initial partial claim paperwork, and so his actions contributed somewhat to the increased mortgage balance. But under a clear error standard of review, we do not reweigh evidence or reconcile conflicting evidence. *Kenney*, 963 N.W.2d at 221-22. The record supports that Covell-Paulzine was solely responsible for paying the mortgage for a period, and that 14 payments were missed during that period, which increased the mortgage balance and harmed both parties' credit scores. Accordingly, we conclude that the district court's findings to that effect were not clearly erroneous.

Second, Covell-Paulzine challenges the district court's factual findings about her trustworthiness and the likelihood of her compliance with the terms of a partition in kind or other equitable partition method. On this issue, the district court found that Covell-Paulzine "intentionally withheld information from [Nesbit]" and that her "deceptive behavior was willful and intentional." Then, "[b]ased upon [Covell-Paulzine's] prior behavior," the court stated that it "finds little ground to trust [Covell-Paulzine] to make payments and communicate issues to [Nesbit]."

The fact-finder is in the best position to make credibility determinations about the parties, *In re Civ. Commitment of Ince*, 847 N.W.2d 13, 24 (Minn. 2014), but when the district court's findings are not sufficient for meaningful appellate review, we may remand for further findings, *Gams v. Houghton*, 869 N.W.2d 60, 65 (Minn. App. 2015) ("[R]emand is the appropriate remedy when the district court has made insufficient findings to enable

appellate review.”), *aff’d as modified*, 884 N.W.2d 611 (Minn. 2016). Here, we cannot discern the basis for the district court’s finding that Covell-Paulzine was willfully and intentionally deceptive. The record shows that, during the period when Covell-Paulzine was solely responsible for the mortgage, she missed several payments because of illness and did not tell Nesbit about the missed payments. At the same time, there is also evidence that Covell-Paulzine timely contacted Nesbit for his signature on the partial-claim paperwork after negotiating with the lender to mitigate harm from the missed payment. And, although Covell-Paulzine did not keep Nesbit informed about the mortgage, it is not apparent from our review of the record that she intended to deceive him by withholding that information. On record before us, we struggle to find support for the finding that Covell-Paulzine’s conduct was willful and deceptive. But given our deference to the district court regarding credibility determinations, which are based on “observing the witnesses and judging their credibility on a first hand basis,” *Hollom v. Carey*, 343 N.W.2d 701, 704 (Minn. App. 1984), and our ultimate conclusion that remand is required, we also conclude that it is appropriate to allow the district court to make additional findings on remand with respect to Covell-Paulzine’s trustworthiness to comply with a partition in kind or other equitable partition method.

Prejudice Determinations

Covell-Paulzine’s next argument is that the district court abused its discretion in failing to consider the prejudice she will experience if her home is sold. Specifically, she argues that she will be prejudiced by a sale because she and her children currently live in

the home and will be forced to move, and that she will have to close the daycare business that she operates in the home and, consequently, lose her sole income source.

Partition in kind is favored over partition by sale. *Swogger v. Taylor*, 68 N.W.2d 376, 384 (Minn. 1955); *see* Minn. Stat. § 558.14 (2024) (stating the conditions under which partition by sale may be ordered).³ A district court may order a sale in a partition action “if it is alleged in the complaint and established by evidence that the property, or any part of it, is so situated that partition [in kind] cannot be had without great prejudice to the owners.” Minn. Stat. § 558.14. If a court orders a private sale of a property, it must be in “the best interests of the owners of the property.” Minn. Stat. § 558.17. The party that asks for partition by sale bears the burden of proving that partition in kind is impracticable. *Swogger*, 68 N.W.2d at 384.

But in all partition actions, “[w]hatever mode of partition is adopted . . . must be capable of execution without advancing the interests of one owner at the expense of the others.” *Id.*; *see also Glenwood Inv. Props.*, 765 N.W.2d at 117-18 (affirming a district court’s partition order and noting that the court properly exercised its equitable powers and weighed prejudice under *Swogger*); *Neumann v. Anderson*, 916 N.W.2d 41, 54-55 (Minn. App. 2018) (reversing and remanding where the district court’s order and weighing of prejudice was inconsistent with *Swogger*), *rev. denied* (Minn. July 17, 2018); *Anderson*,

³ This partition action was commenced before August 1, 2025, and is therefore governed by Minnesota Statutes chapter 558. Minn. Stat. §§ 558.01-.32 (2024). The Minnesota Partition Act, Minn. Stat. §§ 558A.01-.29 (Supp. 2025), governs partition actions commenced on or after August 1, 2025, and establishes several factors courts must consider when ordering a partition in kind. Minn. Stat. §§ 558A.02 (providing the effective date), .11 (establishing factors courts shall consider when ordering a partition in kind).

560 N.W.2d at 731 (concluding that a partition in kind with owelty was not an abuse of discretion because partition in kind would “impair[] the value of the property” and partition by sale “would be prejudicial to respondents”).

The district court concluded that partition in kind was not practicable because Covell-Paulzine “failed to demonstrate she has the ability, now or in the near future, to fulfill the terms of a partition in kind,” and as a result, a partition in kind “would likely continue to diminish the equity in the property, accrue additional financial issues, and cause great hardship to one or both parties.” But despite the court’s reference to hardship to both parties, the district court’s decision does not specifically show that it considered possible prejudice to Covell-Paulzine in the event of a partition by sale. Rather, the court’s analysis focuses predominantly on Covell-Paulzine’s “deceptive” and “willful” behavior and its potential impact on Nesbit’s interests.

Because the district court’s order focused only on the prejudice Nesbit will experience in the event of a partition in kind, it is unclear whether the district court properly considered both parties’ interests to ensure that one party does not benefit at the other’s expense. *See Swogger*, 68 N.W.2d at 384. Absent additional findings explaining why sale is the appropriate equitable solution, the district court’s decision appears to benefit Nesbit to the detriment of Covell-Paulzine. *See id.*; *Glenwood Inv. Props.*, 765 N.W.2d at 117-18; *Neumann*, 916 N.W.2d at 54-55. We are unable to meaningfully review the district court’s partition decision without additional explanation of the court’s basis for concluding that a sale, and the associated allocation of proceeds, was in the best interest of both parties. *See Gams*, 869 N.W.2d at 65.

In sum, although we find some support for the district court’s conclusions in its partition order, its findings and analysis are not sufficiently clear on Covell-Paulzine’s trustworthiness, how her trustworthiness is relevant to its consideration of the prejudice to both parties, and whether the court considered the effect of a sale of the property on Covell-Paulzine’s interests. We therefore remand the order to the district court for additional findings to facilitate our meaningful review.⁴

Remanded.

⁴ Covell-Paulzine argues also that the district court did not consider alternative partition resolutions that would be more equitable to the parties. We do not reach this issue because of the lack of sufficient findings supporting a sale. But we note that district courts have broad equitable powers in partition actions, and they may “resort to the most advantageous plans,” whether that is “accomplished by a division in kind, by sale, or by any practical combination of both methods.” *Swogger*, 68 N.W.2d at 383. Accordingly, it is within the district court’s discretion to consider alternative partition options on remand, if appropriate, based on its additional findings.