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

**STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1227**

John Donahue,
Appellant,

vs.

Robert Donahue, et al.,
Respondents.

**Filed March 16, 2026
Affirmed in part and reversed in part
Bratvold, Judge**

Waseca County District Court
File No. 81-CV-22-624

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(for appellant)

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Considered and decided by Bentley, Presiding Judge; Bratvold, Judge; and Schmidt,
Judge.

NONPRECEDENTIAL OPINION

BRATVOLD, Judge

This is an appeal from a judgment following a bench trial involving three brothers and a limited liability company (LLC) that they formed. The brothers—appellant John Donahue and respondents Robert and Craig Donahue—are equal members of respondent

Donahue Farm LLC, which owns real property in Waseca County.¹ After John paid for and built a house on Donahue Farm property, the three brothers discussed terms but did not agree to convey to John the one-acre parcel on which John built his house. John sued Robert, Craig, and Donahue Farm, alleging that he built the house while detrimentally relying on Robert and Craig's promise that they would deed the parcel to him. John asserted claims of promissory estoppel, breach of fiduciary duty, unjust enrichment, aiding and abetting, and civil conspiracy; John later amended his complaint to request a judicial remedy for oppressive conduct by Robert and Craig. Robert and Craig denied John's allegations in their answer and sought judicial dissolution of Donahue Farm.

The district court granted summary judgment, dismissing all of John's claims against Robert and Craig and most of John's claims against Donahue Farm. But the district court also determined that genuine issues of material fact required a trial on John's claim for unjust enrichment against Donahue Farm. After trial, the district court filed a 23-page decision that included written findings of fact, conclusions of law, and an order for judgment. The district court concluded that John did not prove his unjust-enrichment claim and ordered dissolution of Donahue Farm.

John seeks reversal of the adverse judgment on his unjust-enrichment claim against Donahue Farm, the dissolution order, and the district court's summary-judgment order. John asks this court to reinstate his claims against Robert and Craig, individually. We affirm the judgment against John on his unjust-enrichment claim against Donahue Farm.

¹ This opinion refers to the three brothers by their first names.

We also affirm the district court’s summary-judgment decision against John on his claims against Robert and Craig. But because the district court abused its discretion in ordering dissolution, we reverse the dissolution order. Thus, we affirm in part and reverse in part.

FACTS

The following summarizes the district court’s written factual findings issued after the bench trial along with the evidence relevant to the issues on appeal.

Formation of Donahue Farm and Construction of John’s House

In about 1970, the parents of John, Robert, and Craig bought 129 acres in Waseca County. After father’s death, mother gave the land to the brothers in 1995. The brothers at first owned the property as tenants in common and, after 13 years, formed Donahue Farm, a Minnesota limited liability company, in 2008. The brothers executed quit-claim deeds conveying the property to Donahue Farm.² Donahue Farm has no operating agreement; the equal members do not hold formal meetings. And the members decide “by informal consensus by majority vote, except when a unanimous vote was required” under state law.

As of 2009, and by written action of the board of governors, John became president of Donahue Farm and Craig became the secretary and treasurer. The “primary use” of Donahue Farm was for recreation, such as hunting and trail riding on all-terrain vehicles

² To be clear, mother gave the 129-acre property to *four* brothers—John, Robert, Craig, and Mark. After the four brothers formed Donahue Farm in 2008, all four executed quit-claim deeds conveying the property to Donahue Farm. In 2009, Mark wanted to sell his one-fourth interest in Donahue Farm. Following an appraisal, the four brothers agreed that John, Robert, and Craig would pay Mark \$92,000 to buy Mark’s one-fourth interest in Donahue Farm. As of the time of trial, John, Robert, and Craig are the only members of Donahue Farm.

and snowmobiles. Donahue Farm also rented tillable acres to a local farmer, and some acres were enrolled in the Conservation Reserve Program (CRP).³

In 2017, John told Robert and Craig that he was retiring, moving to Minnesota, and wanted to build a house on Donahue Farm property. Neither Robert nor Craig objected. In June 2017, John applied for a “zoning permit” to build a single-family house on a parcel that was zoned agricultural. The application was in the name of Donahue Farm LLC, “C/O John Donahue.” A “Project Memo” field on the application form stated, “Need to complete a transfer of development rights,” with a handwritten notation, “done.” John signed the application. The permit was approved in August 2017.⁴

The parties offered conflicting evidence about a mortgage that John granted for a construction loan to build the house. John testified that he asked Robert and Craig “separately” whether he could use Donahue Farm property as collateral for a construction loan and that both approved.

Acting as secretary and treasurer, Craig signed a “Limited Liability Company Resolution to Borrow” dated October 10, 2017, resolving that the “Company appl[ies] for

³ See 16 U.S.C. § 3831(a) (2024) (describing CRP “under which land is enrolled through the use of contracts to assist owners and operators . . . to conserve and improve the soil, water, and wildlife resources”). The record on Donahue Farm’s CRP contracts is limited; the contracts themselves are not in the record.

⁴ Around the same time that John said that he wanted to build his home on Donahue Farm property, Craig said that he wanted to build a storage shed on Donahue Farm property. No one objected to Craig’s request, and John included it in the permit application along with the house, an attached garage, a septic system, and a driveway. Craig began building the shed in December 2017 and completed it in 2020. John’s house and the shed share electricity. Craig also paid to extend the driveway that John built so that it would service the shed.

a loan in the principal amount of \$325,000.00” to be “secured by a first lien on real estate owned by the Company located in Waseca County.” John is listed as the sole “Signing Authority” who is “authorized to execute and deliver” documents and take actions on behalf of the company with respect to the loan. On October 16, 2017, John, acting as “Chief Manager/President,” signed a mortgage with Donahue Farm as the borrower. The mortgage “listed all of the [Donahue Farm] Property as collateral.”

The district court summarized Craig’s and Robert’s testimony about their understanding of the 2017 mortgage: “Craig stated there was no discussion of John taking out a construction loan against all of the [Donahue Farm] Property,” and “Robert testified that he thought John was taking out a loan against John’s one-third interest in the [Donahue Farm] Property and was not aware John put all [of the Donahue Farm] Property as collateral on his loan.” John conceded during his testimony that he did not provide a copy of the mortgage documents to Robert or Craig.

On October 19, 2017, John emailed Robert and Craig, stating, “The loan is in my name, but because [the house is] sitting on Donahue Farm LLC and not on a piece of land parceled off in my name, [the lender] want[s] something saying I have the authority to make decisions” for Donahue Farm. Both Craig and Robert responded, “agree.” The district court found that it was “unclear” whether Craig and Robert were agreeing to John building a house or to John signing loan documents on behalf of Donahue Farm, or both. The district court also found that John paid off the 2017 loan and released the mortgage against Donahue Farm in December 2020.

John began constructing his house around November 2017. The house was completed in 2018. John testified that he has lived in the house with his wife for “approximately eight years.”

The parties offered conflicting testimony about their discussions to convey the one-acre parcel to John.⁵ John testified that he told Craig and Robert that “we’re going to have to separate one acre so the house [is] in [John’s] name and the collateral remains off the land” and that Craig and Robert were “agreeable with that.” Craig and Robert testified differently. Robert emphasized that he had objected to conveying an acre because he “didn’t want the farm to be chopped up.” Craig testified that the “main objective was to get the collateral off the farm” but that “[n]o one could come to an agreement.”

The district court found that “John, Craig, and Robert had many discussions between 2017 through August 2022”—the month that John signed his complaint—“about John parceling off one acre” for his house but that “at no time did the parties reach a full agreement on the price John would pay for the one-acre parcel, the survey lines for the one-acre parcel, [or] the terms of the driveway easement needed to access the new house.”

In August 2018, John hired a company to survey and identify a one-acre parcel that included his house, the well and septic system, and a driveway easement. John also hired

⁵ The record includes references to “a” one-acre parcel and “the” one-acre parcel. All relevant references are to the one-acre parcel on which John built his house.

an attorney to draft a driveway easement agreement. John presented both documents to Robert and Craig, who discussed the terms, but they never reached a final agreement.⁶

The parties also offered evidence on development rights that transferred because of the construction of John's house. The transfer was first mentioned in the permit application signed by John. In March 2019, John executed a transfer of development rights (TDR) with the county on behalf of Donahue Farm. As the district court explained, the TDR "essentially moved the building rights" from one section of Donahue Farm to another—the parcel where John built his house. The TDR prevented "any residential building" on the remaining land owned by Donahue Farm. The district court found that Robert and Craig "credibly testified that John did not fully inform them about the TDR and the resulting effect that no other house could be built on [Donahue Farm] property."⁷

The parties agreed that their relationships with each other deteriorated after John built his house. The district court received evidence of disputes between John, Robert, and Craig over management of Donahue Farm and use of the Donahue Farm property. The district court's findings also identified incidents of "physical aggression" and verbal disputes among the parties.

⁶ John testified that he offered to pay \$5,000 to Robert and Craig for the one-acre parcel and that the offer was rejected. In a 2019 email, John offered to receive one acre less in "ownership percentage" than Robert and Craig if they conveyed the one-acre parcel to him.

⁷ The district court found that "Craig credibly testified that he first saw the TDR decision" in October 2022. Robert objected to the TDR transfer, stating in a 2018 email to John that "[h]aving no option to build on my own land in the future is wrong." John appealed the county's decision on the TDR, testifying that "his hope was to get back" the rights for the Donahue Farm property. The county denied the appeal.

Litigation Begins, Including the Special Litigation Committee and Summary-Judgment Proceedings

In September 2022, John sued Robert, Craig, and Donahue Farm, asserting claims of promissory estoppel, breach of fiduciary duty, unjust enrichment, aiding and abetting, and civil conspiracy and seeking a judicial remedy for oppressive conduct under Minn. Stat. § 322C.0701 (2024). John later amended his complaint to include derivative claims on behalf of Donahue Farm.⁸

In a joint answer to the amended complaint, Robert and Craig denied John’s claims and asserted counterclaims for violations of Minnesota Statutes chapter 322C and breach of fiduciary duty, seeking John’s “expulsion” from Donahue Farm or “dissolution and/or alternative remedies available under Minn. Stat. § 322C.0701.” Donahue Farm answered separately, denying all liability and “affirmatively alleg[ing] that any and all derivative claims . . . be fully addressed by the Special Litigation Committee.” Donahue Farm appointed a special litigation committee (SLC) to investigate John’s derivative claims and sought a stay of district court proceedings, which was granted.

The SLC investigated John’s derivative claims, and according to the district court, the SLC “reviewed 100 exhibits”; “heard testimony from each party” and “witnesses offered by each party”; and “considered all the pleadings, the evidence, and the historical context of the case.” The SLC recommended that “Donahue Farm not pursue any further action on the Derivative Claims” against any party. Robert and Craig moved to enforce the

⁸ By stipulation of the parties, John filed a second amended complaint in January 2025 to clarify the relief sought.

SLC's recommendation. Robert and Craig also moved for summary judgment on John's claims against them.

Following a motion hearing, the district court filed a combined order enforcing the SLC's recommendations and granting partial summary judgment in favor of Robert and Craig on all claims. First, the district court determined that John's claims for "Breach of Fiduciary Duty . . . against Donahue Farm" and "Remedy for Oppressive Conduct" were derivative claims and that John's remaining claims were direct claims.⁹ Second, the district court enforced the SLC's recommendation to dismiss all derivative claims, rejecting each of John's arguments against the SLC's recommendation.

Third, the district court granted summary judgment in favor of Robert, Craig, and Donahue Farm on most of John's claims, as detailed below. The district court concluded that John's claim against Donahue Farm for unjust enrichment raised genuine issues of material fact because John "built a home on the property of Donahue Farm LLC, which added value to the property," and John "expected to acquire a one-acre parcel of land from Donahue Farm, LLC where his home is located." John's "expectation became frustrated when the parties could not come to an agreement on the easement and deed needed to convey" the one-acre parcel.

⁹ "Derivative suits allow shareholders to bring suit against wrongdoers on behalf of the corporation, and force liable parties to compensate the corporation for injuries so caused." *Janssen v. Best & Flanagan*, 662 N.W.2d 876, 882 (Minn. 2003); *see* Minn. Stat. § 322C.0902 (2024) (allowing LLC members to bring derivative suits "to enforce a right of a limited liability company"); *see also* Minn. R. Civ. P. 23.09 (providing procedure for derivative actions by shareholders or members).

Bench Trial and the District Court's Decision

Before the bench trial on John's unjust-enrichment claim against Donahue Farm, the parties, "in an effort to clarify and narrow the scope of issues for the trial," reached a factual stipulation. They agreed to withdraw two allegations in Robert and Craig's counterclaim based on Robert's deposition testimony. Specifically, Robert and Craig withdrew "as mistakenly included" (1) paragraph 2(e), which alleged that John deceived Craig "into signing a 30-year mortgage on the [Donahue Farm] property for the construction of [John's] home by telling him he was signing a different document," and (2) paragraph 2(g), which alleged that John fraudulently concealed from Robert and Craig "that the mortgage [John] obtained to build his home was secured by all three parcels of [Donahue Farm's] real property and that the construction of the home would interfere with [Robert and Craig's] future use and enjoyment of the property." Robert and Craig also affirmatively stipulated that the 30-year mortgage "was not concealed from Craig."

After trial, the district court filed a written order that rejected John's unjust-enrichment claim against Donahue Farm for two independent reasons. First, the district court concluded that John's "unclean hands" precluded his claim for equitable relief. The district court identified several instances when John's conduct was unconscionable or had bad motives—for example, the district court found that, "[d]espite the objections" from Craig and Robert, John granted the 2017 mortgage "to build his house and [did] not [advise] Craig and [Robert] of the terms of the mortgage or the fact that he included all [Donahue Farm] property as collateral on the mortgage." The district court also found that the 2017 mortgage "was not approved by all LLC members" and was for

John’s “sole benefit.” And the district court found that John “misrepresented, or withheld information, from the other two LLC members regarding the negative effects of the TDR on future building restrictions” for Donahue Farm property and that the TDR was for John’s “sole benefit.”

Second, the district court concluded that John’s “interest in the real property on which he built a house could have been protected by a contract between the parties.” John therefore “assumed the risk of proceeding without one.” Although the parties discussed “John building a house” on Donahue Farm property “back in early to mid-2017” and Robert and Craig did not object, “final details needed to be worked out.” Ongoing discussions occurred, but “the brothers never came to an agreement.” The district court determined that the issue was not whether Donahue Farm would “retain the value or benefit of John’s house.” The district court reasoned that Robert and Craig “both agreed that John should get paid for the costs John expended to build the house and installing the well and septic” on Donahue Farm property.

The district court also ordered dissolution of Donahue Farm for reasons that are discussed below. The district court gave the parties 90 days to “come to a mutual agreement for a buy-out of the other LLC member(s) interest” in Donahue Farm. The order provides that, if the “members cannot come to a mutual agreement,” the Donahue Farm property “shall be listed for sale through a realtor or sold by auction.”¹⁰ Finally, the district court

¹⁰ Although it is not part of the record for our review, we observe that, after this appeal was filed and the record transmitted, the district court granted John’s motion and stayed the dissolution pending this appeal.

denied John's request for attorney fees and granted Robert and Craig's request for attorney fees and the expenses that they advanced on behalf of Donahue Farm for the SLC.

John appeals.

DECISION

We affirm the district court's decision to dismiss John's claim for unjust enrichment because John assumed the risk by proceeding to build a house on Donahue Farm property without reaching an agreement to convey the one-acre parcel to him. Second, we affirm the district court's summary-judgment decision on all of John's claims against Robert and Craig because any error in the district court's reasoning was harmless. Finally, we reverse the district court decision to order dissolution of Donahue Farm because the record and the statute do not support its decision.

I. The district court did not abuse its discretion by entering judgment against John on his unjust-enrichment claim.

John claimed that Donahue Farm was unjustly enriched because John constructed a house on Donahue Farm property and did not receive the one-acre parcel in return. During trial, John argued that the district court should impose a constructive trust to convey the one-acre parcel, along with his house and an access easement, to John. On appeal, John contends that he expected to receive the one-acre parcel based on Robert and Craig's "agreement to do so" and that the transfer of the parcel was "thwarted only after [Donahue Farm] was enriched by the construction of the home." John argues that "it is inequitable for [Donahue Farm] to retain the benefit of John's house" and that, therefore, the district court erred by dismissing John's claim for unjust enrichment.

Appellate courts “review a district court’s ultimate equitable determinations made after a court trial for abuse of discretion.” *Hepfl v. Meadowcroft*, 9 N.W.3d 567, 571 (Minn. 2024). When reviewing legal questions related to unjust enrichment, appellate courts apply a de novo standard of review. *Herlache v. Rucks*, 990 N.W.2d 443, 449 (Minn. 2023). Appellate courts review a district court’s factual findings following a bench trial for clear error. *Id.* at 448, 453 (reviewing judgment entered on claim for unjust enrichment following bench trial). And we defer to the district court’s credibility determinations. *Sefkow v. Sefkow*, 427 N.W.2d 203, 210 (Minn. 1988); *see* Minn. R. Civ. P. 52.01 (stating that in “all actions tried upon the facts without a jury . . . due regard shall be given to the opportunity of the trial court to judge the credibility of the witnesses”). Appellate courts must “examine the record in the light most favorable to the verdict to determine if [they] are left with the definite and firm conviction that a mistake has been made.” *Herlache*, 990 N.W.2d at 453 (quotation omitted).

“To establish an unjust enrichment claim, the claimant must show that the defendant has [1] knowingly [2] received or obtained something of value [3] for which the defendant in equity and good conscience should pay.” *ServiceMaster of St. Cloud v. GAB Bus. Servs., Inc.*, 544 N.W.2d 302, 306 (Minn. 1996) (quotation omitted). “[E]nrichment is unjust, in legal contemplation, to the extent it is without adequate legal basis; and the law supplies a remedy for unjustified enrichment because such enrichment cannot conscientiously be retained.” *Hepfl*, 9 N.W.3d at 571 (quoting Restatement (Third) of Restitution & Unjust Enrichment § 1 cmt. b (Am. L. Inst. 2011)). “[M]ere enrichment alone does not suffice” to support a claim of unjust enrichment. *Id.* at 572. Instead, “it must be shown that a party

was unjustly enriched in the sense that the term ‘unjustly’ could mean illegally or unlawfully” or “where it would be morally wrong for one party to enrich himself at the expense of another.” *Id.* (emphasis omitted) (quotations omitted).

The district court concluded that John “failed to meet his burden of proof” on his unjust-enrichment claim. The district court did not analyze the first two elements—the defendant’s knowing acceptance of something of value—and instead focused on the third element. The district court concluded that it was not unjust to allow Donahue Farm to retain the value of John’s house, specifically noting that “whether John should be compensated for his expenses is not at issue” because the value of the house was not established at trial. The district court found that John “failed to provide any credible evidence as to the costs and expenses [he] put into building his house or the value of the improvement to [Donahue Farm] Property.” John does not challenge this finding on appeal and instead focuses on an equitable order to convey the one-acre parcel.

The district court identified two independent reasons for rejecting John’s equitable claim for the one-acre parcel. First, John’s “unconscionable acts” amounted to “unclean hands” that bar “his claim for equitable relief.” Second, the district court concluded that John’s “interest in the real property on which he built a house could have been protected by a contract . . . and [John] assumed the risk of proceeding without one.”

We begin with the second independent reason because it is dispositive. *See Goeb v. Tharaldson*, 615 N.W.2d 800, 815 n.9 (Minn. 2000) (“Because the other issues raised are dispositive of this matter, we do not address this argument.”). In determining that John assumed the risk of building a house on Donahue Farm property without an agreement to

convey the one-acre parcel to him, the district court turned to the Restatement (Third) of Restitution & Unjust Enrichment § 27 (Am. L. Inst. 2011), which provides:

If the claimant makes expenditures to maintain, improve, or add value to property that the claimant reasonably expects to retain or to acquire, and (because such expectation is frustrated) another person becomes the unintended beneficiary of the claimant's expenditure, the claimant is entitled to restitution from the other as necessary to prevent unjust enrichment.

The district court emphasized comments to section 27. Comment b requires that “the claimant have acted in the *reasonable expectation* of future ownership.” Restatement (Third) of Restitution & Unjust Enrichment § 27 cmt. b (emphasis added). Comment g provides that “where the risk of intervening contingencies is . . . reasonably apparent—with the result that the asserted liability in restitution might properly have been the subject of a contract between the parties—restitution will be denied” because “the claimant assumed the risk that the expenditures in question would benefit someone else.” *Id.* cmt. g; *see also Hepfl*, 9 N.W.3d at 574-75 (quoting this language from comments b and g and characterizing section 27 as the “general rule for unjust enrichment”).

The district court found that the brothers “had many discussions between 2017 through August 2022 . . . about John parceling off one acre” of Donahue Farm property. The district court also found that “at no time did the parties reach a full agreement” on price, survey lines, the terms of a driveway easement, among other terms. And the district court concluded that John “was aware he needed a deed approved by all [Donahue Farm] members to get title to real property” to “build a house on” but “proceeded with building his house knowing all [Donahue Farm] members were not in full agreement.” Because the

record evidence supports each of these findings, we conclude that the district court did not abuse its discretion in concluding that John had no “reasonable expectation that [Donahue Farm] would convey to him a one-acre parcel on which he built his house.”

John does not disagree with the district court’s reliance on the restatement and instead argues about which comment to section 27 fits the evidence. John contends that he is entitled to reversal of the judgment against him because he “reasonably believed he would receive the one acre he was building on from” Donahue Farm and that, therefore, the district court’s conclusion is “clearly erroneous.” John relies on comment e to section 27, which states: “A claimant within the rule of this section may have improved or contributed to another’s property in reliance on the other’s representations—explicit or tacit—that the property will at some future date be given to the claimant.” Restatement (Third) of Restitution & Unjust Enrichment § 27 cmt. e.

John pins his argument that the district court’s denial of his unjust-enrichment claim was “clearly erroneous” on selected findings of fact among the 100 factual findings in the district court’s order. Specifically, John points to finding 44, that “Craig and Robert credibly testified that they were in agreement with John getting a one-acre parcel on which he built his house.” And John relies on finding 45, that the “evidence shows that John, Craig, and Robert had many discussions between 2017 through August 2022 . . . about John parceling off one acre.” John also relies on conclusion of law 16, that “final details” about John building on Donahue Farm property “needed to be worked out,” arguing that

“disagreements as to those ‘final details’ arose *after* John began making the improvements to the Property.”¹¹

We are not persuaded. None of the findings that John relies on show that the parties reached an agreement to convey the one-acre parcel to John. Even finding of fact 44, that Craig and Robert were “in agreement with John getting a one-acre parcel,” is conditioned on the parties agreeing on a price, which they did not, and on John releasing Donahue Farm property from the 2017 mortgage securing his construction loan, which did not occur until 2020.

John also emphasizes finding 32, that “Craig and Robert both testified that the only discussion about John receiving a one-acre parcel of the LLC to build a house on was *prior* to John starting to build his house.” (Emphasis added.)¹² John argues that this finding

¹¹ We acknowledge John’s argument that the district court “made other findings that are not supported by any evidence.” John’s brief to this court refers to his ability to move his house to another location, separate shared electricity between John’s house and Craig’s shed, and the marketability of Donahue Farm property. Even assuming without deciding that the district court clearly erred in making these particular findings, the error was harmless. The other findings discussed in this opinion are sufficient to affirm the district court’s judgment to dismiss John’s unjust-enrichment claim. Minn. R. Civ. P. 61 (directing courts to “disregard any error or defect in the proceeding which does not affect the substantial rights of the parties”).

¹² The entirety of finding 32 is three sentences:

Craig and Robert both testified that the only discussion about John receiving a one-acre parcel of the LLC to build a house on was *prior to* John starting to build his house. John testified that Craig and Robert agreed to convey a one-acre parcel to him prior to John building his house on LLC Property. This is where the parties’ recollection of the events differs.

supports reversal because when he “began construction on his house, he reasonably believed he would receive the one-acre he was building on” from Donahue Farm.

John’s argument is unavailing. Finding 32 must be understood in context with other findings. For example, as already mentioned, the district court found that “at *no* time did the parties reach a full agreement” on price, survey lines, or the driveway easement. (Emphasis added.) And the district court found that “Craig testified that John did not ask him to parcel out one acre . . . to build a house . . . prior to John starting construction of the house.” The district court specifically stated in finding 48 that “John proceeded with building his house on [Donahue Farm] Property despite no full agreement with the other LLC members.”¹³

Also, finding 32 does not address the central issue. The parties’ *discussion* “about John receiving a one-acre parcel” does not establish that the parties *agreed* to convey the one-acre parcel to John. The district court’s finding that the parties never reached “a full agreement” is supported by record evidence. Taken together, the district court’s factual findings and the record evidence support its conclusion that John did not have a reasonable expectation of receiving a one-acre parcel.

¹³ Similarly, in conclusion of law 14, the district court stated that John “built a house on land owned by Donahue Farm LLC without first obtaining legal title to the parcel of land on which he built his house.” And in conclusion of law 16, the district court stated that discussions about John building the house began in mid-2017 and that, “[i]n general, Craig and Robert did not object to John building a house, but final details needed to be worked out between the brothers.” In conclusion of law 18, the district court stated that the parties had “ongoing discussions” but “never came to an agreement” and that, “despite the lack of agreement on these issues, John proceeded with building his house.”

In sum, John built a house on Donahue Farm property despite the absence of any agreement with Robert and Craig on the terms for conveying a one-acre parcel to John. Based on this record, the district court did not abuse its discretion in concluding that it was “reasonably apparent” that conveying a one-acre parcel to John from Donahue Farm “might properly have been the subject of a contract.” *Hepfl*, 9 N.W.3d at 575 (quotation omitted). The district court also did not abuse its discretion in concluding that John’s expectation of receiving the one-acre parcel was unreasonable. Thus, we affirm the dismissal of John’s unjust-enrichment claim.

II. The district court did not commit reversible error by granting summary judgment in favor of Robert and Craig on John’s claims against them individually.

John asserted six claims against Robert and Craig in his amended complaint: (1) promissory estoppel against Robert and Craig; (2) breach of fiduciary duty against Robert; (3) unjust enrichment against Robert and Craig; (4) aiding and abetting Robert’s breach of fiduciary duty against Craig; (5) civil conspiracy against Robert and Craig; and (6) remedy for oppressive conduct against Robert and Craig. After Robert and Craig moved for summary judgment on John’s claims against them, the district court decided that there was “no genuine issue of material facts . . . for all counts against [Robert and Craig] directly” and granted summary judgment in their favor on all claims.

John contends that the district court erred in granting partial summary judgment on his claims against Robert and Craig for promissory estoppel, breach of fiduciary duty, aiding and abetting, and civil conspiracy because the summary-judgment record showed

genuine issues of material fact on each claim.¹⁴ John also maintains that the district court improperly “relied on the SLC’s report in granting Craig and Robert’s [summary-judgment] motion” and “adopted the inadmissible findings of the SLC.”¹⁵ We first consider whether the district court erred in granting summary judgment on each of John’s claims raised on appeal, then consider John’s challenge to the SLC report.

Appellate courts “review the grant of summary judgment de novo to determine whether there are genuine issues of material fact and whether the district court erred in its application of the law.” *Montemayor v. Sebright Prods., Inc.*, 898 N.W.2d 623, 628 (Minn. 2017) (quotation omitted). No genuine issue for trial exists “when the record taken as a whole could not lead a rational trier of fact to find for the nonmoving party.” *McKee v. Laurion*, 825 N.W.2d 725, 729 (Minn. 2013) (quotation omitted). In reviewing the district court’s summary-judgment decision, we “view the evidence in the light most favorable to the party against whom summary judgment was granted.” *STAR Ctrs., Inc. v. Faegre & Benson, L.L.P.*, 644 N.W.2d 72, 76-77 (Minn. 2002). This is different from the view of the

¹⁴ In dismissing John’s unjust-enrichment claim against Robert and Craig, the district court concluded that, because John’s house was “not currently being sold” and Robert and Craig had “not directly been enriched,” Robert and Craig were entitled to summary judgment. John does not challenge this decision on appeal.

¹⁵ John also argues that the district court erred in dismissing his promissory-estoppel claim against Donahue Farm. But John’s amended complaint alleged a promissory-estoppel claim against Robert and Craig individually, not against Donahue Farm. And the district court’s order on summary judgment only discussed a promissory-estoppel claim against Robert and Craig. Because John did not assert a promissory-estoppel claim against Donahue Farm, we decline to consider this issue. *See Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn. 1988) (stating that appellate courts generally address only those questions previously presented to and considered by the district court).

evidence in the facts summarized above, which state the district court’s factual findings after a bench trial in a way that is favorable to the judgment. Below, we address disputed facts in our analysis of each claim.

A. Promissory Estoppel

The district court concluded that “there is no genuine issue of material fact in dispute as to a clear and definite promise” and that John “did not present any evidence of a promise by [Robert and Craig] to cause Donahue Farm, LLC to convey one acre of land to [John] prior to building his home.” “Promissory estoppel is an equitable doctrine that implies a contract in law where none exists in fact.” *Martens v. Minn. Mining & Mfg. Co.*, 616 N.W.2d 732, 746 (Minn. 2000) (quotation omitted). “Promissory estoppel has three elements: (1) a clear and definite promise; (2) the promisor intended to induce reliance and such reliance occurred; and (3) the promise must be enforced to prevent injustice.” *Greuling v. Wells Fargo Home Mortg., Inc.*, 690 N.W.2d 757, 761 (Minn. App. 2005). Whether a clear and definite promise was made is usually a question of fact. *See, e.g., TMT Mgmt. Grp., LLC v. U.S. Bank Nat’l Ass’n*, 940 N.W.2d 239, 244-45 (Minn. App. 2010) (analyzing evidence of a clear and definite promise as a question of fact on appeal from a district court’s summary-judgment decision).

John contends that “there was a genuine dispute of material fact as to the timing of the discussions regarding the transfer of one acre from [Donahue Farm] to John relative to John starting construction.” John relies on his deposition testimony—which was submitted to the district court during summary-judgment proceedings. John testified that Robert and

Craig “promised [him] the one acre before [he] built” the house and that he, Robert, and Craig discussed the need to “deed one acre off” before he started construction.

John’s deposition testimony is in direct conflict with Craig’s deposition testimony denying “ever hav[ing] a discussion with [John] about parceling off one acre of property before John started construction.” Thus, the district court erred in determining that summary judgment was appropriate. We do not, however, grant relief on appeal for harmless error. Minn. R. Civ. P. 61 (“The court at every stage of the proceeding must disregard any error or defect in the proceeding which does not affect the substantial rights of the parties.”); *see also Cambria Co. v. M&M Creative Laminants, Inc.*, 995 N.W.2d 426, 439 (Minn. App. 2023) (applying rule 61 in the summary-judgment context), *aff’d*, 11 N.W.3d 318 (Minn. 2024).

The district court’s error in granting summary judgment on John’s promissory-estoppel claim was harmless in light of the district court’s factual findings after trial. While the trial concerned John’s unjust-enrichment claim against Donahue Farm and not John’s promissory-estoppel claim against Robert and Craig, John based his unjust-enrichment claim on the same promise on which he relied for his promissory-estoppel claim.

As discussed above, the district court found that Robert and Craig did not make a clear and definite promise to convey a one-acre parcel to John before he built his house. Indeed, the district court found that “the brothers *never* came to an agreement on what price John would pay for the one-acre parcel, where the survey lines would be . . . and the terms of a driveway easement needed to access the house.” (Emphasis added.) Because the facts

found at trial support the district court’s judgment against John on his promissory-estoppel claim, the district court’s summary-judgment error was harmless.

B. Breach of Fiduciary Duty

In its summary-judgment decision, the district court determined that “no evidence was submitted to support” John’s claim that Robert “promised to cause [Donahue Farm] to convey . . . land prior to [John] building his home.” The district court also determined that “all evidence presented indicates the parties did not discuss conveying an acre of [Donahue Farm property] to [John] until April of 2018.” The district court also determined there was no factual dispute as to whether Robert “breached a fiduciary duty to [John] by not signing the easement or the deed conveying the one-acre parcel” after construction because Robert had “a right as a member of” Donahue Farm to deny signing the easement and the deed based on concerns about “how the easement will affect the operation of the LLC.” “A breach of fiduciary duty claim consists of four elements: duty, breach, causation, and damages.” *Hansen v. U.S. Bank Nat’l Ass’n*, 934 N.W.2d 319, 327 (Minn. 2019).

John argues that the district court erred in granting summary judgment on his fiduciary-duty claim against Robert because “there was a genuine issue of material fact as to whether Robert agreed to cause [Donahue Farm] to convey an acre of land to John.”¹⁶

¹⁶ John also argues that the district court improperly ignored evidence that “Robert failed to execute CRP contracts or locate a renter for [Donahue Farm] property.” The district court concluded that these alleged injuries gave rise to Donahue Farm’s derivative claim against Robert. Because John does not challenge the district court’s dismissal of the derivative claims, we need not consider evidence of Robert’s conduct related to CRP contracts or renting Donahue Farm property in our review of the district court’s summary-judgment order.

For the same reasons we affirmed summary judgment on the promissory-estoppel claim, we affirm here. The district court's error was harmless.

C. Aiding and Abetting

In his amended complaint, John alleged that Craig “substantially assisted or encouraged the breach of fiduciary duty by Robert” and therefore “is liable for all damages caused by [Robert's] breach of fiduciary duty.” A claim for aiding and abetting has three elements: “(1) the primary tort-feasor must commit a tort that causes an injury to the plaintiff; (2) the defendant must know that the primary tort-feasor's conduct constitutes a breach of duty; and (3) the defendant must substantially assist or encourage the primary tort-feasor in the achievement of the breach.” *Witzman v. Lehrman, Lehrman & Flom*, 601 N.W.2d 179, 187 (Minn. 1999).

In its summary-judgment decision, the district court concluded there was no genuine issue of material fact on the first element because John did not “produce evidence that [Robert] breached a fiduciary duty to [John].” John argues that the district court erred in granting summary judgment because it failed to view “the evidence in the light most favorable to John.” The district court's error was harmless. As discussed above, the district court found after trial that Robert did not agree to convey a one-acre parcel to John, so no underlying tort supports John's claim.

D. Civil Conspiracy

In his amended complaint, John alleged that Robert and Craig conspired to “deny [John] the benefits of the promises made to distribute real estate to” John from Donahue Farm and “convert the monetary value of [John's] home” for Robert and Craig's “personal

benefit.” John also alleged that Robert and Craig’s agreement “contemplated [Robert] breaching his fiduciary duty to” John. Civil conspiracy requires “a combination of persons to accomplish an unlawful purpose or a lawful purpose by unlawful means.” *Harding v. Ohio Cas. Ins. Co.*, 41 N.W.2d 818, 824 (Minn. 1950). A claim of civil conspiracy must be “supported by an underlying tort.” *D.A.B. v. Brown*, 570 N.W.2d 168, 172 (Minn. App. 1997).

During summary-judgment proceedings, the district court rejected John’s claim of an underlying tort of conversion, stating that Robert and Craig “have not received a personal benefit from [John’s] actions” because “the property is still owned” by Donahue Farm. The district court also reasoned that John “failed to produce evidence” that it was unlawful for Robert and Craig to refuse to convey the one-acre parcel or refuse to agree to easement terms.

John does not argue that the district court erred in concluding that Robert and Craig did not convert his property, so we need not address that aspect of the court’s decision. *See Jundt v. Jundt*, 12 N.W.3d 201, 204 (Minn. App. 2024) (“A party’s failure to brief and argue an issue on appeal results in forfeiture of that issue.”), *rev. denied* (Minn. Dec. 31, 2024). John contends on appeal that his civil-conspiracy claim raised a genuine issue of material fact about Robert’s breach of fiduciary duty. For the same reason that we affirmed summary judgment on the aiding-and-abetting claim, we also affirm here.

E. The Special Litigation Committee’s Report

John alternatively contends that the district court erred because it “relied on the SLC’s report in granting” summary judgment. John argues that, “[n]ot only is the SLC

Report entitled to no deference with respect to direct claims, but it is also inadmissible hearsay without an exception” and “the district court adopted and relied on the SLC’s findings.”

We need not consider the admissibility of the SLC report because John makes this argument for the first time on appeal. We generally decline to consider issues not raised or decided by the district court. *Thiele*, 425 N.W.2d at 582. We also note that the record does not support John’s claim that the district court relied on the SLC report during summary-judgment proceedings. John does not specify which aspects of the district court’s summary-judgment order are “adopted” from the SLC report. Many of the undisputed facts summarized in the SLC report are also noted in the district court’s summary-judgment order. Similarly, the SLC considered many exhibits that were also submitted to the district court during summary-judgment proceedings pursuant to an affidavit by Robert and Craig’s attorney. Without identifying which of the district court’s conclusions are unsupported by the summary-judgment record, John has failed to establish error. *See DLH, Inc. v. Russ*, 566 N.W.2d 60, 71 (Minn. 1997) (“[T]he party resisting summary judgment must do more than rest on mere averments.”).

John also contends that the district court “entirely disregarded evidence of . . . bias by the SLC” because “the attorney appointed to the SLC . . . was selected and appointed solely by Craig and Robert” and because of a “close working relationship” between the SLC counsel and Robert and Craig’s attorney. We disagree. The district court considered and addressed John’s bias arguments in its order enforcing the SLC determination.

The district court concluded that SLC counsel “acted sufficiently independent from the board to fairly review the derivative claims” and that “[n]either party has presented evidence of a relationship or connection between [SLC counsel] and [Robert and Craig] or a current or prior member of [Donahue Farm] that indicates any influence” on the SLC investigation or report. The district court also concluded that the attorney appointed to the SLC “credibly explained” that past interactions with Robert and Craig’s attorney did not support claims of bias.

The district court’s conclusion is supported by the record. We also note that the district court relied on the SLC report for only its decision to reject John’s derivative claims—a decision that John does not challenge on appeal. We therefore reject John’s argument that the district court improperly credited or relied on the SLC report in its summary-judgment decision.

III. The district court erred by ordering dissolution of Donahue Farm.

The Minnesota Revised Uniform Limited Liability Company Act (LLC Act), Minn. Stat. §§ 322C.0101-.1205 (2024), allows for judicial dissolution of an LLC “on application by a member” if, among other reasons, “it is not reasonably practicable to carry on the company’s activities in conformity with the articles of organization and the operating agreement” or “on the grounds that the managers, governors, or those members in control of the company . . . have acted or are acting in a manner that is oppressive and was, is, or will be directly harmful to the applicant.” Minn. Stat. § 322C.0701, subd. 1(4)(ii), (5)(ii). “A remedy other than dissolution may be ordered in any case where that remedy would be appropriate under all the facts and circumstances of the case.” *Id.*, subd. 2.

Minnesota courts have not articulated the standard of review for judicial dissolution of an LLC. John seeks de novo review, while Robert and Craig argue that the availability of dissolution raises “questions of fact” that are “subject to highly deferential review.” We need not decide the standard of review generally applicable to an order for judicial dissolution under Minn. Stat. § 322C.0701. Because our analysis turns on the interpretation of section 322C.0701, our review is de novo. *Curtis v. Altria Grp., Inc.*, 813 N.W.2d 891, 898 (Minn. 2012) (stating that appellate courts review questions of statutory interpretation de novo).

We consider the district court’s two independent reasons for dissolution in turn.

A. Not Reasonably Practicable to Carry on Donahue Farm’s Activities

The district court first determined that Donahue Farm’s dissolution was warranted under section 322C.0701, subdivision 1(4)(ii). The district court found that Donahue Farm’s articles of organization “state the company is organized with a general business purpose” but do not “specify what the company activities are.” The district court also found that “the activities that take place on [Donahue Farm] property are primarily recreational” but noted that “this is not designated in any written LLC document.” And the district court concluded that “[b]ased on the lack of an operating agreement . . . it is not reasonably practicable to carry on the company’s activities in conformity with the articles of organization and the operating agreement because the activities are not defined.”

John contends that the district court’s conclusion reflects two legal errors. First, the absence of a written operating agreement does not mean that Donahue Farm “has no operating agreement in place.” John argues that, “[t]o the extent the operating agreement

does not otherwise provide for the matter,” default provisions govern Donahue Farm’s operations as provided in Minnesota Statutes section 322C.0110, subdivision 2. John also cites the definition of operating agreement in chapter 322C, which provides that an operating agreement may be “oral, in a record, implied, or in any combination thereof.” Minn. Stat. § 322C.0102, subd. 17.

Second, John contends that defining Donahue Farm’s activities as a “general business” is sufficient to carry on company activities because that purpose is consistent with Minnesota Statutes section 322C.0104, subdivision 2, which provides that “a limited liability company may have any lawful purpose.” John also argues that, because the district court found that Donahue Farm’s “activities *are* defined in a manner consistent with the [LLC Act], its conclusion that [Donahue Farm] cannot carry on its activities because the activities are not defined is contrary to law.” Alternatively, John maintains that “the parties’ informal operating agreement provides that [Donahue Farm’s] activities are ‘primarily recreational activities.’” We understand John’s reference to an “informal operating agreement” to be based on the district court’s finding that it is “undisputed by the LLC members . . . that the activities that take place on [Donahue Farm] property are primarily recreational activities.”

There is no precedential Minnesota caselaw interpreting what is “not reasonably practicable” under section 322C.0701, subdivision 1(4)(ii). In *Barkalow v. Clark*, the Iowa Supreme Court concluded that judicial dissolution is “not a wide-ranging mechanism for doing equity, but a drastic remedy to be ordered when an LLC is truly in an unmovable logjam or cannot as a practical matter carry on its contracted purpose.” 959 N.W.2d 410,

423 (Iowa 2021).¹⁷ And an “unmovable logjam” occurs with a deadlock. *See id.* at 420 (“Typically, dissolution is ordered when there is actual, unbreakable deadlock.”); *see also* *Dysart v. Dragpipe Saloon, LLC*, 933 N.W.2d 483, 486-87 (S.D. 2019) (“An involuntary judicial dissolution represents an exceptional level of intervention into the otherwise private agreement of an LLC’s members.”).

The district court’s conclusion that it was not reasonably practicable for Donahue Farm to continue operations is not supported on this record, nor is it consistent with persuasive caselaw. First, even if we accept the district court’s findings about the ongoing hostility among the three members, Donahue Farm can continue with ordinary matters. The district court found that Donahue Farm “is a member-managed LLC” and that “John, Craig, and Robert as the three members” of Donahue Farm “have equal rights in the management and business.” Actual deadlock on matters of “ordinary course” for Donahue Farm is not possible among three equal members because a majority vote governs. *See* Minn. Stat. § 322C.0407, subd. 2(3) (stating that, in a member-managed LLC, a “difference arising among members as to a matter in the ordinary course of the activities of the company may be decided by a majority of the members”).¹⁸

¹⁷ Section 322C.0701 is based on section 701 of the Revised Uniform Limited Liability Company Act. *See* Revised Ltd. Liab. Co. Act § 701 (Unif. L. Comm’n 2006); 2014 Minn. Laws ch. 157, art. 1, at 122-85. “Laws uniform with those of other states shall be interpreted and construed to effect their general purpose to make uniform the laws of those states which enact them.” Minn. Stat. § 645.22 (2024).

¹⁸ Nor are we convinced that the conveyance of a one-acre parcel to John is not possible due to a deadlock. Robert and Craig contend that the members’ inability to agree on conveying a one-acre parcel and granting an easement to John are “unbreakable deadlocks” because these acts are outside the ordinary course of business and therefore require a

Second, Donahue Farm’s purposes and activities are defined, as found by the district court, and the record suggests that its activities are ongoing, although not always smooth. The district court found that Donahue Farm’s property “contains tillable acres that are rented out to a local farmer and some acres are subject to [CRP] contracts.” The district court did not find that these activities are inconsistent with a “general business” purpose or that it is not reasonably practicable for Donahue Farm to continue them.

It is true that the district court found that “the three LLC members have had disagreements about renewing the CRP contracts, management of the CRP land, rental of the tillable farmland, and harvesting of firewood from the property.” But with three members, a majority vote will settle those disagreements. And the district court found that Robert and Craig “continue to use [Donahue Farm] Property for recreational purposes,” though “much less than in the past.” Again, mere disagreement among members over business operations does not support judicial dissolution. *See Barkalow*, 959 N.W.2d at 422-23 (reversing a dissolution order because “there is no voting deadlock and the defined purpose of the entity has not become *impossible* to fulfill” (emphasis added)). We therefore conclude that the district court erred in ordering dissolution under section 322C.0701, subdivision 1(4)(ii).

unanimous vote of the members. John’s reply is persuasive: “[I]f a decision requires unanimous consent, and unanimous consent is not reached, the vote simply fails, thus breaking any deadlock.”

B. Oppressive Conduct by Members in Control of Donahue Farm

We turn to the district court's second, alternative ground for ordering judicial dissolution of Donahue Farm. The LLC Act provides that an LLC "is dissolved, and its activities must be wound up," in the following situation:

(5) on application by a member, the entry by appropriate court of an order dissolving the company on the grounds that the managers, governors, or those members in control of the company: . . .

(ii) have acted or are acting in a manner that is oppressive and was, is, or will be directly harmful to the applicant[.]

Minn. Stat. § 322C.0701, subd. 1(5)(ii).

The district court concluded that John was "in control" of Donahue Farm because "the evidence shows [John] controlled many [Donahue Farm] transactions, without the consent of Craig and Robert." John contends that the district court legally erred in concluding he was "in control" of Donahue Farm because "having an officer execute documents on behalf of an organization is a normal practice" and because "John was a minority member." John relies on the district court's conclusion that John "had no more legal control over [Donahue Farm] business than Craig or Robert."

Because Donahue Farm is member-managed, section 322C.0701, subdivision 1(5), authorizes a judicial order for dissolution upon the showing of oppressive conduct by "those members in control of the company." *See* Minn. Stat. § 322C.0407, subds. 3(1), 4(1) (providing that "managers" hold management rights in a manager-managed LLC and "governors" hold management rights in a board-managed LLC). Here, the "members in control" of Donahue Farm are not clarified by its formation documents because Donahue

Farm lacked a written operating agreement and therefore operated under the default rules provided in the LLC Act. In other words, “[e]ach member [had] equal rights in the management and conduct of the company’s activities,” matters “in the ordinary course of the activities of the company” could be decided by majority vote, and an “act outside the ordinary course of the activities of the company [could] be undertaken only with the consent of all members.” *Id.*, subd. 2(2)-(4).

Also, “members in control” is not a phrase defined in the LLC Act. To the extent that our review of the district court’s dissolution order requires us to interpret subdivision 1(5)(ii), we do so to give effect to legislative intent. *See Humana MarketPoint, Inc. v. Comm’r of Revenue*, 25 N.W.3d 841, 850 (Minn. 2025) (stating that appellate courts “interpret statutes to ascertain and effectuate the intent of the Legislature”). But “[w]hen the intent of the Legislature is clearly discernible from plain and unambiguous language, statutory construction is neither necessary nor permitted and we apply the statute’s plain meaning.” *Energy Pol’y Advocs. v. Ellison*, 980 N.W.2d 146, 156 (Minn. 2022) (quotation omitted). Appellate courts “may refer to dictionary definitions to discern [a statute’s] plain meaning.” *Hagen v. Steven Scott Mgmt., Inc.*, 963 N.W.2d 164, 173 (Minn. 2021).

In subdivision 1(5)(ii), the term “control” means the “direct or indirect power to govern the management and policies of . . . [an] entity, whether through ownership of voting securities, by contract, or otherwise.” *Black’s Law Dictionary* 418 (12th ed. 2024) (defining control). In other words, control is “the power or authority to manage, direct, or oversee.” *Id.*

As one of three members, each having a one-third interest, John does not control Donahue Farm because he needs a second vote to act in the ordinary course. Thus, based on the plain language of the statute and this record, we conclude that John is not a member in control and the district court erred in ordering dissolution under section 322C.0701, subdivision 1(5)(ii).

Because the record does not support the district court's conclusion that it was not reasonably practicable for Donahue Farm to carry on company activities or that John was a member in control of Donahue Farm, we reverse the district court's order granting Robert and Craig's request for the "LLC to be wound up and dissolved" and requiring "sale through a realtor or . . . by auction" if "the LLC members cannot come to a mutual agreement on a buy-out within ninety (90) days from the date of [the] Order."

Affirmed in part and reversed in part.