

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A24-0307**

Christopher Villella,
Appellant,

vs.

Patrick Villella, et al.,
Respondents.

**Filed December 16, 2024
Affirmed
Wheelock, Judge**

St. Louis County District Court
File No. 69HI-CV-22-1239

Peter J. Frank, GDO Law, White Bear Lake, Minnesota (for appellant)

James Andrew Borland, Sellman Borland & Simon PLLC, Hibbing, Minnesota (for respondents)

Considered and decided by Wheelock, Presiding Judge; Reyes, Judge; and Slieter, Judge.

NONPRECEDENTIAL OPINION

WHEELOCK, Judge

Appellant challenges the district court's grant of summary judgment on his quiet-title and unjust-enrichment claims, denial of his Minn. R. Civ. P. 60.02 motion to vacate the summary-judgment order and judgment, and denial of his Minn. R. Civ. P. 15.01 motion to amend his complaint. Because summary judgment on both the quiet-title and

unjust-enrichment claims was proper and the district court did not abuse its discretion in denying appellant's rule 60.02 and rule 15.01 motions, we affirm.

FACTS

On August 12, 2020, appellant Christopher Villella entered into a contract for deed with respondents Patrick and Beth Villella¹ to purchase property in Saint Louis County. Christopher took possession of the property sometime thereafter.

Also on August 12, all parties signed a septic-system disclosure/transfer agreement (septic agreement). The septic agreement stated that, to the best of Patrick's knowledge, the transfer was exempt from a septic compliance inspection because a "signed disclosure statement is presented indicating that no SSTS [subsurface sewage-treatment system] exists nor is one required on the property or that the property is served only by a permitted privy with a valid Certificate of Compliance or hand-carried graywater system." However, nine months later, in May 2021, an inspection identified an issue with the placement of a pipe and a shed on the property that required corrective action.

In July 2021, the Saint Louis County Onsite Wastewater Division notified Christopher that the sale required an inspection of the SSTS (septic system) that still needed to be completed. On November 1, 2021, the county sent a notice of noncompliance to Patrick and a copy to Christopher, specifying corrective actions required to bring the septic system into compliance with county regulations. The corrective actions included obtaining

¹ Because the parties have the same last name, we refer to appellant as "Christopher" and respondents collectively as "Patrick."

a permit and presenting to the county a plan to make the system compliant within 60 days of the noncompliance notice's issuance.

On July 22, 2022, Patrick served Christopher with a "Notice of Termination of Contract for Deed," which stated that the contract was to be terminated under Minn. Stat. § 559.21 (2022) due to Christopher "committing waste on the property" and causing a "Non-Compliance Notice from St. Louis County which he has not addressed" in violation of the terms of the contract for deed. The notice of termination also stated that, if Christopher did not either cure the defect within 60 days or obtain a court order to pause termination of the contract, the contract would be terminated.

After receiving the notice of termination, Christopher hired a professional septic-system designer to inspect the property and design a compliant system. However, Christopher failed to inform the designer of the county's prior inspection, the previously issued noncompliance notices, and the fact that a noncompliant system already existed. The county issued a permit to build a compliant system on September 19—the day prior to the end of the 60-day cure period set forth in the notice of termination—but when the previous noncompliance notices came to the attention of the designer, she informed the county of the need to reinspect the property, and upon reinspection, the county voided the permit.²

² The district court in the eviction action determined that the septic-system designer "credibly testified that she was provided misinformation directly from [Christopher] that materially altered her position on the system she inspected" and that, if the designer "[h]ad . . . been given the correct information," the permit would not have been granted.

Patrick then brought an action to evict Christopher from the property, and in December 2022, a referee held a trial on the merits of the eviction action. Christopher presented testimony and exhibits in support of his assertions that he had cured the defects that caused the noncompliance. The district court in the eviction action found that Christopher could have cured the defect at any time during the 16 months preceding the end of the cure period, and that, although the problems with the system were noticed in May 2021, he did not address the issue until after September 20, 2022.

The district court in the eviction action found that, because the county voided the permit, the fact that Christopher had obtained the permit on September 19 did not cure the defect before the 60 days expired and that, therefore, he had defaulted on the contract for deed. Because Christopher was in default, the court determined that the contract for deed was terminated on September 20, 2022, and that Christopher's interest in the property was extinguished at that time. Thus, Christopher unlawfully held over possession of the property and Patrick was entitled to recovery of the property. The district court in the eviction action entered a judgment in favor of Patrick, and that judgment was not appealed.

Shortly before the eviction trial began, Christopher filed the underlying action in this matter against Patrick in district court, claiming that he was the rightful owner of the property under contract-for-deed and adverse-possession theories and that Patrick was unjustly enriched by the contract's cancellation because Christopher had made efforts to remediate the property and Patrick received the benefit of those efforts without consideration. Patrick filed an answer and counterclaim, denying that Christopher had any interest in the real property and that Patrick had been unjustly enriched and asserting

multiple counterclaims.³ The key issue in this action is whether Christopher still has an interest in the property, which turns on whether the contract for deed was terminated.

In March 2023, Patrick moved for summary judgment in this action seeking dismissal of Christopher's claims in their entirety. Christopher was self-represented and did not file a response. At the hearing on the summary-judgment motion, the district court allowed Christopher to present argument with respect to the motion. Christopher argued that the cancellation of the contract for deed was invalid because Patrick was responsible under the contract for the septic system's compliance, not him.

In July 2023, the district court granted summary judgment in favor of Patrick, determining that (1) Christopher has no right, title, or interest to the property, (2) the district court in the eviction action specifically found that Christopher's contractual interest in the real property had been terminated and that he had no present right to be on the property, (3) Christopher's claim for adverse possession fails because he did not possess the property for 15 consecutive years prior to filing the claim, and (4) Christopher did not support his claim for unjust enrichment.

In August 2023, Christopher filed a Minn. R. Civ. P. 60.02 motion to vacate the district court's July order granting Patrick's motion for summary judgment and the entry of judgment on the order. Three weeks later, Christopher filed an amended rule 60.02 motion and added a request for leave to amend his complaint under Minn. R. Civ. P. 15.01

³ Patrick sought damages for slander of title, identification of Christopher as a frivolous litigant, and costs and attorney fees incurred in defending the "frivolous claim." These issues remain pending in district court.

to clarify the relief sought, add a claim for breach of contract, and request an injunction. In his amended motion, Christopher also argued that Patrick waived termination of the contract for deed because Patrick allegedly accepted payments under the contract for deed and for costs of service and attorney fees during the 60-day cure period set forth in the notice of termination. In October 2023, following a hearing, the district court issued an order in which it denied Christopher's motion to vacate the order granting summary judgment to Patrick and the entry of judgment and his motion for leave to amend the complaint.

In the October 2023 order, the district court determined that Christopher "[did] not have a case on the merits" because he "already had a trial on the merits on the same specific issues and [the court in the eviction action] determined [Christopher] had no possessory right to the property." The district court stated that the court in the eviction action determined that "cancellation of the contract for deed was properly done" and that Christopher "presented largely the same claims in the eviction proceedings" as in this action, including "his defenses why a cancellation of the contract and subsequent eviction were improper." Additionally, the district court found that Patrick would suffer substantial prejudice if it vacated the grant of summary judgment.

The district court denied Christopher's motion to dismiss Patrick's counterclaims in January 2024, but granted Christopher's motion for it to enter partial final judgment under Minn. R. Civ. P. 54.02 on his quiet-title and unjust-enrichment claims addressed in the July 2023 summary-judgment order for the purposes of appeal. Patrick's counterclaims remain unresolved. We now review the partial final judgment.

DECISION

I. The district court did not err by granting summary judgment in favor of Patrick on Christopher’s quiet-title and unjust-enrichment claims.

Summary judgment is appropriate when there are no genuine issues of material fact and a party is entitled to judgment as a matter of law. Minn. R. Civ. P. 56.01. Appellate courts “review a district court’s summary judgment decision de novo.” *Riverview Muir Doran, LLC v. JADT Dev. Grp., LLC*, 790 N.W.2d 167, 170 (Minn. 2010). In so doing, appellate courts “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). The moving party bears the burden of showing that there is no genuine issue of material fact. Minn. R. Civ. P. 56.01. “But if the moving party supports its motion, then ‘the nonmoving party must present specific facts showing that there is a genuine issue for trial.’” *Metro. Transp. Network, Inc. v. Collaborative Student Transp. of Minn., LLC*, 6 N.W.3d 771, 778 (Minn. App. 2024) (quoting *DLH, Inc. v. Russ*, 566 N.W.2d 60, 69 (Minn. 1997)), *rev. denied* (Minn. July 23, 2024). And the nonmoving party “must do more than rest on mere averments”; “it must produce evidence that is sufficiently probative with respect to an essential element of the nonmoving party’s case to permit reasonable persons to draw different conclusions.” *Id.* (quotations omitted).

The district court granted summary judgment in favor of Patrick on Christopher’s claims for quiet title and unjust enrichment based on its determinations that Christopher had no right, title, or interest to the real property and that Christopher had not supported his unjust-enrichment claim. Christopher argues that the district court erred when it

determined that res judicata applies and that no genuine issues of material fact remained undetermined after the eviction action. He asserts that the following issues of material fact exist relating to the alleged breach of the contract for deed: which party was responsible for fixing the septic system and what attempts to cure were made. Patrick argues that the grant of summary judgment in his favor was appropriate because the eviction action resolved the question of whether the contract for deed was terminated. We address each of Christopher's claims in turn.

A. Quiet Title

Christopher claims title to the property under two distinct theories—the contract for deed and adverse possession. Neither theory persuades us to reverse.

Contract for Deed

The district court concluded that, under the doctrine of res judicata, the determination from the eviction action that Christopher was not entitled to present possession of the property precludes litigation of his quiet-title claim. Christopher argues that the district court erred in applying res judicata to determine that the eviction action controlled the outcome of the civil action to quiet title. Christopher contends that title to real property is not determined in an eviction action and that, therefore, it was error for the district court to determine that his quiet-title claim was previously fully and fairly litigated. Patrick responds that the requirements of res judicata are met, so further litigation of Christopher's quiet-title claim is precluded.

Upon review, we determine that Christopher is precluded from litigating his quiet-title claim based on the contract for deed, but under the doctrine of collateral estoppel, not res judicata. Res judicata prevents claims that arise out of the same circumstances from being relitigated, even if a subsequent claim arises out of a new legal theory. *Hauschildt v. Beckingham*, 686 N.W.2d 829, 837 (Minn. 2004). Appellate courts “review the application of res judicata de novo.” *Rucker v. Schmidt*, 794 N.W.2d 114, 117 (Minn. 2011). When a court in a prior proceeding could not address a claim, res judicata is inapplicable to that claim. *Wilson v. Comm’r of Revenue*, 619 N.W.2d 194, 200 (Minn. 2000). A party generally cannot raise claims and defenses in an eviction action if they could be raised in alternate civil proceedings. *See Fraser v. Fraser*, 642 N.W.2d 34, 40-41 (Minn. App. 2002). Christopher’s argument is largely correct regarding res judicata: he brought his quiet-title claim in an alternate civil proceeding, and he could not properly bring his quiet-title claim in an eviction action. Therefore, res judicata does not bar litigation of Christopher’s quiet-title claim.

However, collateral estoppel, also known as issue preclusion, bars Christopher’s quiet-title claim based on cancellation of the contract for deed. Collateral estoppel applies to specific legal issues previously adjudicated. *Hauschildt*, 686 N.W.2d at 837. For the doctrine of collateral estoppel to apply, the following four elements must be met:

- 1) the issue must be identical to one in a prior adjudication;
- 2) there was a final judgment on the merits;
- 3) the estopped party was a party . . . to the prior adjudication; and
- 4) the estopped party was given a full and fair opportunity to be heard on the adjudicated issue.

Care Inst., Inc.-Roseville v. County of Ramsey, 612 N.W.2d 443, 448 (Minn. 2000). “Whether collateral estoppel precludes litigation of an issue is a mixed question of law and fact that [appellate courts] review de novo.” *Hauschildt*, 686 N.W.2d at 837. “Once the reviewing court determines that collateral estoppel is available, the decision to apply collateral estoppel is left to the district court’s discretion.” *In re Est. of Perrin*, 796 N.W.2d 175, 179 (Minn. App. 2011) (quotation omitted).

The effect of collateral estoppel from an eviction action on subsequent proceedings is limited; for example, it does not bar subsequent actions for title or other equitable defenses. *Burgmeier v. Bjur*, 533 N.W.2d 67, 70 (Minn. App. 1995), *rev. denied* (Minn. Sept. 20, 1995); *Cole v. Paulson*, 380 N.W.2d 215, 218 (Minn. App. 1986). Yet “any facts determined in the [eviction] action would be conclusive.” *Burgmeier*, 533 N.W.2d at 70. Additionally, in the context of collateral estoppel, an eviction judgment “is conclusive not only of the right of possession but the facts upon which such right rested.” *Cole*, 380 N.W.2d at 218 (quotation omitted).

Christopher’s quiet-title claim based on the contract for deed meets the four requirements for collateral estoppel to apply. As to the first requirement, the validity of the cancellation of the contract for deed was part of the claim for present possessory interest in the eviction action and was necessarily decided. To determine who was entitled to present possession of the property, the district court in the eviction action determined that the contract for deed was terminated. This involved a determination that Christopher did not cure or obtain a stay of termination within the required timeframe. *See* Minn. Stat. § 559.21, subd. 3; *Shields v. Goldetsky (In re Butler)*, 552 N.W.2d 226, 230 (Minn. 1996)

(“The statutory proceeding for cancelling a . . . contract for deed[] is in the nature of a statutory strict foreclosure. . . . [O]nce statutory notice has been served and cancellation effected, all rights between the parties under a contract for deed are terminated.”). Therefore, the eviction action resolved the relevant issues of material fact, and Christopher is estopped from relitigating them in his claim for title under the contract-for-deed theory. The contract for deed was the only means by which Christopher claimed a possessory interest in the property. If the contract for deed had not been cancelled, Christopher would be entitled to present possession of the property.

The second requirement is met because the eviction action resulted in a final judgment that included findings related to the cancellation of the contract for deed. The third element, that the estopped party was a party to the prior adjudication, is met because Christopher was a party to both the eviction action and the civil action he brought.

Christopher argues that he did not have the opportunity to litigate the issue of title fully and fairly at the eviction action. However, this is incorrect. Although Christopher could not bring a claim to quiet title, the validity of the cancellation of the contract for deed was litigated in the eviction action, and there is no indication that Christopher was precluded from introducing evidence to advance his arguments. Thus, that portion of Christopher’s quiet-title claim is collaterally estopped and the district court did not err in granting summary judgment on the quiet-title claim.

Adverse Possession

For a claim of adverse possession to succeed, the plaintiff must have possessed the property for the 15 years preceding commencement of the action. Minn. Stat. § 541.02

(2022). The district court determined that Christopher had no interest in the property before 2020 and that he cannot demonstrate the 15-year possession period essential for an adverse-possession claim. Christopher does not allege any interest in the property prior to 2020 and does not argue that the district court erred in its determination on this point. Because the undisputed facts show that Christopher cannot establish possession of the property for the requisite time, he cannot succeed on his adverse-possession theory of title to the property. Thus, the district court did not err by rejecting Christopher's adverse-possession claim at summary judgment.

B. Unjust Enrichment

Christopher argues on appeal that it is inappropriate for equitable claims or defenses to be raised in an eviction action and that, therefore, any findings relating to such claims or defenses are not binding in civil actions. He accurately states that the eviction action did not involve findings regarding his unjust-enrichment claim.

In his complaint, Christopher alleges that Patrick was unjustly enriched because Christopher made efforts to remediate the property and Patrick was “depriving [Christopher] of all costs incurred in remediating the subject property and seeking to deprive [Christopher] of the subject property.” But Christopher failed to properly support this assertion in the unverified complaint with any specific evidence at summary judgment, *see Metro. Transp. Network, Inc.*, 6 N.W.3d at 778; therefore, there can be no dispute of material fact as to his unjust-enrichment claim and summary judgment on this claim in favor of Patrick was appropriate.

II. The district court did not abuse its discretion by denying Christopher’s rule 60.02 motion to vacate its order for summary judgment and judgment.

Minn. R. Civ. P. 60.02 allows a party to seek relief from an order or judgment under certain circumstances, including for “[m]istake, inadvertence, surprise, or excusable neglect.” Minn. R. Civ. P. 60.02(a). “The decision whether to grant Rule 60.02 relief is based on all the surrounding facts of each specific case, and is committed to the sound discretion of the district court. As such, a district court will not be reversed on appeal except for a clear abuse of discretion.” *Gams v. Houghton*, 884 N.W.2d 611, 620 (Minn. 2016) (quotation and citations omitted). “[A] district court abuses its discretion if it acts against logic and the facts on record, or if it enters fact findings that are unsupported by the record, or if it misapplies the law.” *In re Adoption of T.A.M.*, 791 N.W.2d 573, 578 (Minn. App. 2010) (quotation omitted).

Relief from an entry of judgment under rule 60.02(a) is appropriate when a party

(a) is possessed of a reasonable defense on the merits, (b) has a reasonable excuse for his failure or neglect to answer, (c) has acted with due diligence after notice of the entry of judgment, and (d) shows that no substantial prejudice will result to the other party.

Finden by Finden v. Klaas, 128 N.W.2d 748, 750 (Minn. 1964) (quotation omitted) (identifying the specific showings, known as the “*Finden* factors,” that a party must make when seeking to vacate a judgment under rule 60.02(a)); see *Black v. Rimmer*, 700 N.W.2d 521, 528 (Minn. App. 2005) (applying the *Finden* factors to a rule 60.02 motion by a self-represented litigant), *rev. dismissed* (Minn. Sept. 28, 2005). The same *Finden* analysis also applies to rule 60.02 motions by plaintiffs with debatably meritorious claims that

present a cognizable claim for relief if established at trial, as opposed to a defendant's reasonable defense on the merits. *Cole v. Wutzke*, 884 N.W.2d 634, 638 (Minn. 2016). “[T]he district court must consider, and expressly find that a party satisfied, ‘[a]ll four of the *Finden* factors . . . in order to’ grant relief under Rule 60.02(a).” *Gams*, 884 N.W.2d at 620 (quoting *Nguyen v. State Farm Mut. Auto. Ins. Co.*, 558 N.W.2d 487, 490 (Minn. 1997)); see also *R&S Crossing, LLC v. AF Enters.*, No. A19-0967, 2020 WL 413727, at *4 (Minn. App. Jan. 27, 2020) (“Given that appellants failed to establish this *Finden* factor, we need not address their arguments on the second factor because failure to establish one *Finden* factor is fatal to a motion to vacate under Minn. R. Civ. P. 60.02(a).”). However, a “strong showing on the other factors may offset relative weakness on one factor.” *Imperial Premium Fin., Inc. v. GK Cab Co.*, 603 N.W.2d 853, 857 (Minn. App. 2000).

Here, the district court determined that Christopher did not satisfy at least three of the *Finden* factors. Christopher argues that, contrary to the district court's determinations, he satisfied all four *Finden* factors and is therefore entitled to vacation of the order granting summary judgment. Christopher specifically challenges the district court's determination as to the first factor that he failed to establish that he has a cognizable claim, arguing that the eviction action did not bar his claims in the quiet-title action. Patrick maintains that the district court correctly determined that Christopher is not entitled to rule 60.02(a) relief because he cannot satisfy any of the *Finden* factors and that Christopher does not have a cognizable claim because the district court's decisions in the eviction action bar his claims in the quiet-title action.

With regard to whether there is a cognizable claim, we have already concluded the following, as set forth above: (1) because Christopher already had a trial on the merits and the district court in the eviction action determined that the contract for deed was cancelled, the issue of the validity of the cancellation of the contract for deed is collaterally estopped; (2) his adverse-possession theory fails as a matter of law; and (3) he produced no evidence supporting an unjust-enrichment claim. Because the district court did not act against the logic and the facts when it determined that Christopher did not satisfy all four *Finden* requirements, *see Gams*, 884 N.W.2d at 620, the district court did not abuse its discretion by denying his motion for relief pursuant to rule 60.02(a).⁴

III. The district court did not abuse its discretion by denying Christopher’s rule 15.01 motion to amend his complaint.

Rule 15.01 states that a party may amend a pleading once as a matter of course within certain timing limitations and otherwise requires leave of court or written consent from the adverse party to amend a pleading. Minn. R. Civ. P. 15.01. In addition, “leave [to amend] shall be freely given when justice so requires.” *Id.* However, “the decision to permit or deny amendments to pleadings is [generally] within the discretion of the district court and will not be reversed absent a clear abuse of discretion.” *Johns v. Harborage I, Ltd.*, 664 N.W.2d 291, 295 (Minn. 2003).

Christopher brought a motion to amend his complaint at the same time as his rule 60.02(a) motion. The proposed amendments attempted to clarify the relief sought and

⁴ Although the parties disagree as to whether Christopher could also establish the remaining *Finden* factors, we conclude that he cannot satisfy the first *Finden* factor and therefore need not address the additional factors.

added claims for breach of contract and an injunction. Christopher argues that the district court abused its discretion in denying his motion to amend his complaint because rule 15.01 requires a finding that the adverse party would suffer prejudice if the district court granted leave to amend a pleading, the complaint was unclear about the relief sought, and the district court should frequently grant motions to amend to plead alternative legal theories and as a matter of policy. Patrick argues that the district court did not abuse its broad discretion because it considered Christopher's motion and found that there was not a sufficient basis upon which to amend the complaint. He also points out that Christopher's motion to amend was not filed until about eight months after Christopher commenced the underlying action and the district court had granted summary judgment. The district court determined that it was not in the interest of justice to grant Christopher leave to amend the complaint because of the previous litigation on the issues and the "dispute over the subject property."

Christopher's assertion that rule 15.01 requires a finding that the adverse party would suffer prejudice if the district court granted leave to amend a pleading is incorrect. *See* Minn. R. Civ. P. 15.01 (requiring that leave be "freely given when justice so requires"). Rather, the supreme court has held that "amendments should be freely granted, except where to do so would result in prejudice to the other party." *Marlow Timberland, LLC v. County of Lake*, 800 N.W.2d 637, 640 (Minn. 2011) (quotation omitted). Even so, prejudice to the opposing party is not the only reason to deny a motion to amend a complaint. For example, "[a] plaintiff may not amend the complaint if the proposed amendment would be futile because it would serve no useful purpose." *U.S. Bank Nat'l*

Ass'n v. RBP Realty, LLC, 888 N.W.2d 699, 705 (Minn. App. 2016), *rev. denied* (Minn. Apr. 18, 2017).

Here, an amendment would be futile. First, the effect of the eviction action is to collaterally estop a breach-of-contract claim because that court decided that the contract for deed had been terminated. Second, because Christopher has no interest in or right to the property, he is not entitled to injunctive relief. And third, Christopher's unjust-enrichment claim was properly disposed of on summary judgment. For these reasons, we conclude that an amendment to clarify the relief sought serves no useful purpose. The district court did not abuse its discretion when it denied Christopher's rule 15.01 motion to amend his complaint.

In sum, summary judgment on both Christopher's quiet-title and unjust-enrichment claims was proper and the district court did not abuse its discretion in denying Christopher's rule 60.02 and rule 15.01 motions.

Affirmed.