

NO. A07-1327

State of Minnesota
In Court of Appeals

Harold Bjorklund as Trustee of the Harold E. Bjorklund
Revocable Trust U/A January 14, 2004,

Respondent,

vs.

Bjorklund Trucking, Inc.,

Appellant.

RESPONDENT'S BRIEF

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STATEMENT OF LEGAL ISSUES

1. Should a jury's verdict in an unlawful-detainer action be affirmed where the preponderance of the evidence supports the jury's determination?

The jury unanimously found in favor of Respondent and determined that a landlord-tenant relationship existed between the parties, and that the landlord should be restored to possession of the property.

Apposite Authorities: Minnesota Pub. Housing Auth. v. Greene, 463 N.W.2d 558 (Minn. App. 1990).

2. Did the district court abuse its broad discretion by declining to stay a properly filed unlawful-detainer action?

Appellant moved to stay the trial of this eviction action. On two separate occasions, the district court denied Appellant's motion to stay the proceedings.

Apposite Authorities: Carl Bolander Sons v. City of Minneapolis, 502 N.W.2d 203 (Minn. 1993)

3. Did the district court abuse its broad discretion by giving the statutory jury verdict form and jury unlawful-detainer jury instructions consistent with Minnesota law that encompassed tenant's theory of its defenses?

The district court gave the jury the verdict form expressly provided in Minn. Stat. § 504B.355 (2006).

Apposite Authorities: Cameron v. Evans, 241 Minn. 200, 62 N.W.2d 793 (1954)

STATEMENT OF THE CASE

This is an unlawful-detainer case, which was tried to a jury on May 22 – 25, 2007, in the Scott County District Court, before the Honorable William E. Macklin. Respondent landlord prevailed.

Respondent Harold Bjorklund (the “Trustee”) is the Trustee of the Harold Bjorklund Revocable Trust, which owns properties in Wright County and in Scott County (the “Shakopee Terminal”). These properties were initially owned by the Trustee individually, but were transferred to the Trust on January 21, 2004. (App. 1-2; App. 3-4; Resp’t App. 1-6.) The properties were used in connection with the Trustee’s trucking business, which was eventually incorporated as Appellant Bjorklund Trucking Incorporation (“BTI”). (T-69.) BTI is now run by the Trustee’s son-in-law, Sunil Sapatnekar. The Trustee is no longer a BTI shareholder.

From at least 1993 to 2006, the Trustee leased the properties, including the Shakopee Terminal, to BTI, pursuant to an oral, month-to-month lease. After BTI stopped paying rent and property taxes pursuant to the terms of the parties’ agreement, the Trustee made a demand for rent. When BTI failed to pay rent or taxes after demand, the Trustee terminated the lease and brought this action. BTI claimed to be entitled to ownership, but there is no deed or other writing memorializing a purchase agreement, installment sale or other obligation by the Trustee to transfer the Shakopee Terminal to BTI.

At trial, the Trustee presented ample evidence from BTI’s own corporate records proving the following:

- the existence of a lease between the parties for use of the Shakopee Terminal;
- that BTI agreed that payments it made were rent;
- that BTI failed to pay the rent including property taxes due under the lease;
- that the Trustee properly gave BTI notice to terminate the lease; and
- that the Trustee terminated the lease.

The district court afforded BTI the opportunity to develop and present to the jury its legal theories of entitlement to ownership in an attempt to undermine the existence of an oral month-to-month lease. BTI argued that the parties' arrangement was not a lease but was instead a land-transfer agreement. At the close of evidence, the district court instructed the jury on the governing law, including giving instructions embracing BTI's claims. The district court supplied the jury with the verdict form prescribed by statute.

On May 25, 2007, following the three and one-half day trial, the jury unanimously ruled in favor of the Trustee, finding that the Trustee had proven the allegations in the complaint and was entitled to possession of the Shakopee Terminal. Following entry of the jury's verdict, the district court stayed the Writ of Recovery for the seven-day period provided for by statute.

On June 26, 2007, the district court denied BTI's motion for a new trial and granted the Trustee's request for costs. In addition, the district court denied the Trustee's motion for Execution of the Writ and approval of a Bond under Minn. Stat. § 504B.371, subd. 7 (2006), which permits a landlord to post a bond to recover

possession pending a tenant appeal. This appeal followed. The Trustee filed a Notice of Review, but in light of this Court's Order denying his motion for interim relief the Notice of Review is not being pursued.

STATEMENT OF FACTS

A. The Parties' Background

The Trustee incorporated BTI in the 1960s, although he began his trucking business nearly a decade earlier. (T-150-52.) In December 1993 and January 1994, the Trustee gave 98% of the BTI stock to his children, Bruce Bjorklund and Wanda Sapatnekar, in equal shares. (T-101-02; App. 7-8.) The Trustee retained ownership of two percent of the stock. (App. 59.) Earlier, in June of 1993, Ms. Sapatnekar's husband, Sunil Sapatnekar, agreed to become BTI's Chief Executive Officer. (T-230, 336.) As a seasoned businessman, with a college degree and two Master's Degrees, including an M.B.A., Mr. Sapatnekar insisted that his employment contract with BTI be in writing. (App. 5; T-235.)

When the Trustee made the stock gifts to his children, BTI was a fully operational trucking business. (T-103-04.) BTI owned approximately 37 tractors, 92 trailers, and 46 acres of undeveloped land in Buffalo, Minnesota. (T-102-04.) BTI's land did not include the Shakopee Terminal or the Wright County Terminal property. (T-95). Title to those properties remained with the Trustee. (T-95.) The Trustee's children maintained majority ownership of the corporation until 2005, when Bruce Bjorklund left the company after disputes with the Sapatnekars. (T-266.)

BTI's main terminal is in Wright County, while the Shakopee Terminal, a satellite terminal near a customer's plant, is in Scott County. (App. 1-4; T-96, 102.) The Shakopee Terminal is comprised of two parcels of 1.15 acres and .99 acres and consists of a truck yard, a building, and a cellular phone tower leased to OneComm

Corp. on the back of the smaller parcel. (App. 9, 126; T-97.) The parties differ on the assessment of and costs for the buildings, the value of the land, and land's rental values. (T-70-72, 140-141, 146, 454-55.) The Shakopee Terminal truck yard was across the street from BTI's largest customer. (T-84, 96, 100, 268.) Possession of the Shakopee Terminal is at issue in this case.

B. The Parties' Lease Agreement

After 1993, the Trustee agreed to lease both the Wright County property and the Shakopee Terminal to BTI for \$64,000 per year. (T-104.) In addition, BTI was to pay the real estate taxes and insurance premiums for each of the parcels. (T-104.) Of the \$64,000 yearly rental payment, approximately \$21,333 was allocated to the Shakopee Terminal, and \$42,666 to the Wright County property. (T- 71, 104.) Until 2000, BTI paid rent to the Trustee under the terms of their oral, month-to-month lease, and BTI paid the property taxes until 2005. (T-236.)

Throughout the 1994-2000 period, BTI classified its payments to the Trustee as rental payments in BTI's tax returns and in BTI's financial statements. (App. 18-22, 23-30, 31-39, 40-49, 50-58; Resp't App. 14-21, 29-37, 38-44, 45-55, 56-64.) The Trustee similarly treated BTI's payments as rental income on his tax returns. (Resp't App. 70-83, 84-92, 93-101, 102-11, 112-21, 122-32, 133-43, 144-54, 155-66.)

BTI's financial statements, prepared annually by an independent accounting firm, repeatedly refer to the parties' agreement as a related-party transaction and as a month-to-month lease. (App. 45, 12.) BTI's 1994 financial statement lists "Rent" payments of \$64,000 for the year. (App. 20.) BTI's 1996 financial statement states,

“Bjorklund Trucking, Inc. also leased building facilities on a month-to-month basis from a stockholder for \$64,000 in 1996 and 1995.” (App. 23-30.) The parties do not dispute that these notations in BTI’s financial statements refer to the parties’ arrangement.

In 2000, despite the lease agreement, BTI stopped making rental payments for its use of the Trustee’s property. (T-123.) BTI continued paying the property taxes for the property until the second half of 2005. (T-104-05.) In the interest of fatherly generosity, and suspecting that his children had fallen on financial difficulty, the Trustee did not immediately assert his claim for rent. (T-123.) The Trustee explained, “I didn’t say nothing right away. Family owned stuff like that I thought they had a tough year or something so I never said nothing.” (T-123.)

From 2000 to 2003, BTI never expressed to the Trustee that BTI believed it was entitled to own the Shakopee Terminal, and from 2000 until 2005, BTI made no claim that it owned the Shakopee Terminal or that it was entitled to have the land transferred to it. (T-124-25.) Not until the 2003-2004 year did BTI’s financial statement address the arrangement as anything other than a lease (Resp’t App. 22-28), and that occurred only after Mr. Sapatnekar unilaterally told the accountants to change the description. (App. 179-80.) At trial, BTI produced no financial documents that reflected anything other than a lessor-lessee relationship between the parties and Mr. Sapatnekar admitted, “BTI does not have a document, an explanation, about transferring the terminal, the Shakopee terminal, to Bjorklund trucking” (T-235.)

C. This Dispute

BTI has not paid rent on the Shakopee Terminal from 2000 to the present. (T-123.) BTI has also failed to pay property taxes since the first half of 2005. (T-104-05.) As owner of the property, the Trustee continued to make necessary repairs on the property throughout this period and paid at least \$8398 in property taxes for the property. (T-105, 122, 127-30.)

On January 27, 2006, the Trustee gave BTI written notice terminating the lease:

Please be advised that I am hereby terminating the tenancy at will between me (both individually and in my capacity of the trustee of my trust) and Bjorklund Trucking, Inc., as of April 30, 2006, for the following premises:

- “Shakopee terminal,” including 1.15 acres and industrial warehouse located at 2919 Fourth Avenue East, Shakopee, Minnesota, and .99 acres located at 2804 Fourth Avenue East, Shakopee, Minnesota; and
- “Buffalo terminal” located at 865 Bradshaw Avenue, Buffalo, Minnesota.

(App. 126-27; T-131.) On August 16, 2006, the Trustee commenced this unlawful-detainer action. (T-199-207.)

At trial, BTI argued to the jury that the land should have been transferred in 1998. (T-348, 248-49, 313, 349.) However, the annual unanimous writings of the BTI Board of Directors from 1993-2004 make no mention of an alleged transfer expectation, the Trustee’s alleged obligation to transfer the land, or his failure to do so. (App. 7-8; Resp’t App. 167-68, 59-62, 169-70, 171-72, 173-74, 175-76, 177-78, 179-80, 181-82, 183-84.) BTI never demanded that the Trustee transfer or prepare to

transfer any land during this period and it was not until 2003 that BTI made any mention of a land-transfer issue to the Trustee, and then only in passing at a family Thanksgiving dinner. (T-123-25.)

At trial, BTI also argued that the parties and their advisors decided to transfer land at a meeting between in 1993. (T-452-3, 313, 349.) However, none of the parties' advisors present at that meeting recalled that any such decision was reached, and no documentation of an agreement resulted from that meeting. (T-791; App. 172-73; Resp't App. 218-19.) Notably, the Trustee signed no document that would obligate him to make any gift of land or transfer of land beyond the million dollar gift of the stock of BTI. (T-79.)

Moreover, the parties' mutual accountant, Jim Daleiden, testified that he did not recall any discussion of a purchase or land-transfer agreement between the parties, though he did specifically recall that BTI agreed to rent the properties from the Trustee. (App. 173.) When asked whether he recalled "any discussion at that meeting in December of 1993, December 21, about rent to be paid by BTI to [the Trustee] for the use of the terminals," Mr. Daleiden stated "yes." (App. 172.)

Mr. Daleiden went on to testify that, if BTI's payments to the Trustee were not rent but were instead installment-sale payments, they should have been treated differently for tax purposes by under federal and state income tax laws. (App. 188.) When asked, "if the payments made by BTI to [the Trustee] that have been characterized as rent were actually payments for the purchase of the terminals, would they have been reported differently on BTI's tax returns," Mr. Daleiden answered,

“Well, yes, if they were an installment purchase then they would be treated differently.” (Id.)

Andrew Clark, one of BTI’s attorneys, also testified that he was confident that the parties made no agreement to transfer the terminals to BTI at the 1993 meeting. (Resp’t App. 218-19.) When asked, “Did [the Trustee] in your presence ever make a promise to transfer or convey the Shakopee terminal to BTI or anyone else?” Mr. Clark answered “no.” (Id.) Mr. Clark further stated that he had never received any indication from the Trustee that he intended to transfer land to BTI, nor had the Trustee ever asked him to prepare any documents memorializing any land transfer. (Resp’t App. 218.)

The jury found that the parties’ relationship was one of a landlord and tenant, BTI was not entitled to possession by virtue of entitlement to ownership, BTI breached the lease, the lease was terminated, and the Trustee was entitled to immediate possession of the property. (App. 292.) This appeal followed.

ARGUMENT

I. STANDARD OF REVIEW

Unlawful-detainer actions have been deemed “special proceedings” by this Court. Duluth Ready-Mix Concrete, Inc. v. City of Duluth, 520 N.W.2d 775, 777 (Minn. App. 1994). A “special proceeding” has been defined as “a generic term for civil remedies that are not ordinary actions.” Id. (citations omitted). In this action, BTI has appealed from both the Order denying its motion for new trial and from the entry of final judgment. (Notice of Appeal.) However, in actions for unlawful

detainer, post-trial orders, including motions for new trial, are not appealable. Tonkaway Limited Partnership v. McLain, 433 N.W.2d 443, 443 (Minn. App. 1988). The only proper appeal is that taken from the judgment itself. Id. (noting that the “exclusive mode of appeal is from the judgment of restitution”) (emphasis in original).

In reviewing cases appealed from a jury verdict, the judgment must be affirmed if there is “any competent evidence reasonably tending to sustain the verdict, viewed in the light most favorable to the prevailing party.” Dunn v. National Beverage Corp., 729 N.W.2d 637, 646 (Minn. App. 2007); see also Reedon of Fairbault, Inc. v. Fidelity & Guar. Ins. Underwriters, Inc., 418 N.W.2d 488, 491 (Minn. 1988). Thus, a jury’s verdict should be allowed to stand unless no reasonable theory of the evidence will support it. Dunn, 729 N.W.2d at 646 (citations omitted); see also Reedon of Fairbault, Inc., 418 N.W.2d at 491 (stating that “an appellate court will overturn a jury verdict only if no reasonable mind could find as the jury did,” as long as there exists “some evidence to support the verdict.”). To uphold a judgment in an unlawful detainer action, it is only necessary to demonstrate that “the evidence sustains the findings and [that] the findings support the conclusions.” Minneapolis Pub. Housing Auth. v. Greene, 463 N.W.2d 558, 560 (Minn. App. 1990); Minnesota Power & Light Co. v. Carlton County, 275 Minn. 101, 102 n.1, 145 N.W.2d 68, 70 n.1 (1966). To the extent that conflicting testimony is presented at trial, “It is the jury’s role to weigh the witnesses’ credibility and demeanor” in making their determination. Benson v. Northwest Airlines, 561 N.W.2d 530, 538 (Minn. App.

1997), rev. denied (Minn. June 11, 1997). In an eviction action, the jury's determination that the facts alleged in the complaint are true is sufficient to support a verdict for the plaintiff. See Minn. Stat. § 504B.355 (2006) (stating that a verdict in favor of the landlord indicates that the jury has determined that "the facts alleged in the complaint are true, and the plaintiff shall recover possession of the premises and the defendant shall vacate the premises immediately.").

II. THE JURY'S VERDICT IS CONSISTENT WITH THE WEIGHT OF THE EVIDENCE

The scope of an unlawful-detainer action is a determination of the right to present possession of property. Fraser v. Fraser, 642 N.W.2d 34, 40 (Minn. App. 2002); Minn. Stat. § 504B.001 (2006) (defining "eviction" as "a summary court proceeding to remove a tenant or occupant from or otherwise recover possession of real property by the process of law set out in this chapter"); AMRESKO Residential Mort. Corp. v. Stange, 631 N.W.2d 444, 445 (Minn. App. 2001). Given the limited nature of the proceedings, a tenant should be precluded from asserting equitable defenses or counterclaims. William Weisman Holding Co. v. Miller, 152 Minn. 330, 332, 188 N.W. 732, 733 (1922) (stating that in an unlawful-detainer action, "the defendant cannot interpose an equitable defense, nor any defense in the nature of a counterclaim."). Actions in unlawful detainer are limited to a single consideration: the right of the parties to possess property. The only issue for trial is whether the facts alleged in the complaint are true. Minn. Stat. § 504B.355 (2006). In addition, as the

Trustee noted in trial, Minn. Stat. § 504B.121 (2006) prohibits challenges to a landlord's title in the context of an eviction hearing. (T-10.) The statute states,

A tenant in possession of real property under a lawful lease may not deny the landlord's title in an action brought by the landlord to recover possession of the property. This prohibition does not apply to a tenant who, prior to entering into the lease, possessed the property under a claim of title that was adverse or hostile to that of the landlord.

Minn. Stat. § 504B.121.

Despite these clear statutory directives, and over the Trustee's objections, BTI insisted on interposing its counterclaim / defenses and presenting them to the jury. (T-3-4, 13, 19.) As a result, the district court gave BTI full opportunity to develop and present its theory of its claim of de facto "ownership." BTI presented an opening statement embracing this theory, referring to the supposed oral agreement to transfer title to the land. (T-74.) In that opening statement, BTI expressly referred to the alleged oral agreement to transfer land, stating that the "deal" reached at the 1993 meeting between the parties was for the Trustee to "just transfer the property [to BTI] at the end," meaning when the Trustee was eligible to collect his pension benefits. (T-74.) This also triggered statute-of-limitation arguments, since these claims were not asserted until more than six years after the alleged transfer obligation occurred. See Minn. Stat. § 541.01 (2006) (stating that a six-year statute of limitations is applicable "upon a contract or other obligation expressed or implied as to which no other limitation period is expressly prescribed"); Hermann v. McMenemy & Severson, 590 N.W.2d 641, 643 (Minn. 1999) (noting that "[a] cause of action accrues and the statute of limitations begins to run when the cause of action will survive a

motion to dismiss for failure to state a claim upon which relief can be granted.”). BTI argued throughout trial that the jury should disregard the evidence and instead find that no lease existed, the transaction should be construed as a land-sale agreement, and BTI was the party entitled to possession. (T-90.)

The district court even went so far as to give instructions encompassing BTI’s theories:

The plaintiff, Harold E. Bjorklund, trustee of the Harold E. Bjorklund revocable trust, seeks to recover possession of the property commonly known as the Shakopee terminal from the defendant Bjorklund Trucking, Inc. To recover possession, the plaintiff must prove by a preponderance of the evidence: One, the plaintiff is the landlord. Two, the plaintiff and defendant entered into a lease. Three, defendant failed to pay rent when due or the landlord terminated the lease. And, four, the plaintiff delivered written notice to the defendant at least seven days before the beginning of this lawsuit advising the defendant of plaintiff’s intent to begin legal proceedings for the removal of the defendant from the property. I will now define some of the terms used in these instruction [sic]. A landlord means an owner of real property either individually or as trustee. A lease means an oral or written contract creating a tendency [sic] in real property. A contract exists when the parties agree with reasonable certainty about the same thing and on the same terms. In other words, there must be an agreement between the parties and all the essential terms of the contract. A contract may be made orally, in writing, or by the actions of the parties or by a combination of all three. In deciding whether there was an agreement, consider all the circumstances. You will be given one form of verdict which reads as follows: Do you the jury in the above entitled action find that the facts alleged in the complaint are true and that the plaintiff shall recover possession of the premises and the defendant shall vacate the premises immediately. And then there will be a blank for yes or no. The greater weight of the evidence must support a yes

answer. This means that all of the evidence, regardless of which party produced it, must lead you to believe that the claim is more likely true than not. Greater weight of the evidence does not necessarily mean the greater number of witnesses or the greater volume of evidence. Any believable evidence may be enough to prove that a claim is more likely true than not.

(T-446-48.)

The form of the verdict itself was expressly provided for in the governing statute. Minn. Stat. § 504B.355 (2006) provides that “the verdict of the jury or the finding of the court in favor of the plaintiff in an eviction action shall be substantially in the [form provided].” (emphasis supplied). The verdict form that follows states that if the jury finds “that the facts alleged in the complaint are true . . . the plaintiff shall recover possession of the premises and the defendant(s) shall vacate the premises immediately.” Minn. Stat. § 504B.355.

In rendering its verdict in favor of the Trustee, the jury determined that the facts alleged in the Trustee’s complaint were proven, the Trustee was entitled to present possession of the property, and the parties’ relationship was that of a landlord and tenant, operating under an oral, month-to-month lease and not a land sale or transfer. (App. 199-207, 292.)

The jury’s determination regarding the existence of a lease is supported by the evidence presented at trial. The Trustee testified regarding the oral agreement between the parties. (T-99.) He testified that he never agreed to sell or transfer the Shakopee Terminal to BTI and that he agreed to allow BTI to use the Shakopee Terminal in exchange for rent and that payment of the property taxes and insurance.

(T-99, 104.) The jury reviewed evidence in tax returns and financial documents of the uniform characterization of BTI's payments to the Trustee (Resp't App. 7-13, 65-68, 69, 70-83, 84-92, 93-101, 102-11, 112-21, 122-32, 133-43, 144-54, 155-66; App. 190), as well as references to the lease agreement made in BTI's own financial statements (App. 23-30). While BTI has argued that the payment of rent allegedly exceeded the value of the property over time, that is likely to be true of nearly every long-term lease. (Appellant Br. 7-8.) Additionally, there is no necessary correlation between rental payments and property value. Further, by stating that the rent paid by BTI exceeded fair market rental value, it disregards the value inherent in the Shakopee Terminal's proximity to BTI's primary customer, located across the street. (T-84, 96, 100, 268.) Thus, the preponderance of the evidence presented at trial supports the jury's determination regarding the existence of a lease, and the jury's verdict.

III. THE JURY INSTRUCTIONS AND JURY VERDICT FORM WERE PROPER AS A MATTER OF LAW

The jury instructions selected by the district court conformed to governing law and reflected the issues of the case. The district court's decision not to instruct the jury precisely as BTI wished on BTI's claims was proper as a matter of law. In addition, the form of the verdict presented to the jury was proper, and it was a clear and correct statement of governing law.

A district court is afforded broad discretion in instructing the jury. Parr v. Cloutier, 297 N.W.2d 138, 140 (Minn. 1980). Jury instructions are sufficient where,

viewed as a whole, they provide the jurors with a “clear and correct understanding of the law.” Martinco v. Hastings, 265 Minn. 490, 499, 122 N.W.2d 631, 639 (1963); Cameron v. Evans, 241 Minn. 200, 208-09, 62 N.W.2d 793, 798 (1954). It is not necessary that jury instructions prevent “every possible opportunity for misapprehension.” Martinco, 122 N.W.2d at 639; see Cameron, 62 N.W.2d at 798-99; Benson v. Northwest Airlines, 561 N.W.2d 530, 538 (Minn. App. 1997) (noting “A district court is allowed considerable latitude in selecting the language for jury instructions and all that is required is that the charge as a whole convey to the jury a clear and correct understanding of the law.”).

A. JURY INSTRUCTIONS

The jury instructions reflected the law governing unlawful-detainer actions and also included BTI’s theories. For example, the Court instructed the jury that a land-transfer agreement did not have to be in writing:

A contract exists when the parties agree with reasonable certainty about the same thing and on the same terms. In other words, there must be an agreement between the parties and all the essential terms of the contract. A contract may be made orally, in writing, or by the actions of the parties or by a combination of all three. In deciding whether there was an agreement, consider all the circumstances.

(T-447-48.)

Further, the jury instructions properly stated that the Trustee had the burden of proving that he was entitled to possession. (Id.) In conformity with governing law, the instructions further indicated that, to find in favor of the Trustee, the jury must

determine that the Trustee had sufficiently proven the allegations made in the initial complaint to be true. (Id.) The jury was instructed that, to rule as it did, it had to find that the Trustee was a landlord, the parties had a lease agreement, either the Trustee terminated the lease or BTI failed to pay rent when it was due, and proper notice was given to BTI before the Trustee began legal proceedings. (Id.; App. 292.) In finding that the Trustee had proven that the parties' relationship was that of a landlord and tenant and that the Trustee was entitled to possession, the jury necessarily rejected BTI's theory of the case that the parties' relationship was otherwise.

The jury instructions contemplated BTI's theory of the case. The district court's decision not to instruct the jury of BTI's affirmative defenses exactly as BTI wished was also proper. The district court noted in its order that "[BTI's] defense was that it was in possession because it had purchased the property, not because of any lease. That defense was fully developed during the trial and fully argued to the jury, and did not need further instruction." (Resp't App. 185-87.)

Indeed, throughout trial, BTI offered arguments aimed at contradicting the existence of an oral month-to-month lease between the parties. (T-313, 349-50.) BTI argued that there was no lease and that the parties had instead entered into a land-transfer agreement or contract-for-deed arrangement. (T-90-1.) BTI was given a full and fair opportunity to argue its theories to the jury. It does not follow that, because the jury did not ultimately endorse BTI's theories, the district court's decision not to instruct on the jury as BTI wished was an error of law.

B. JURY VERDICT FORM

The form of the verdict presented to the jury in eviction actions is provided for by statute. Minn. Stat. § 504B.355 (2006) provides that the verdict form “shall be” substantially in the form provided therein and that, a jury verdict in favor of the landlord indicates a determination that “the facts alleged in the complaint are true, and the plaintiff shall recover possession of the premises and the defendant shall vacate the premises immediately.” The Minnesota Supreme Court has also noted that in an action for unlawful detainer, “the form of the verdict requires that the court find only whether the facts alleged in the complaint are true or not.” Minneapolis Pub. Housing Auth. v. Lor, 591 N.W.2d 700, 704 (Minn. 1999) (discussing the predecessor to section 504B.355).

The verdict form presented to the jury was the same as that mandated by statute. (T-448.) The verdict form presented to the jury was therefore acceptable as a matter of law.

IV. THE DISTRICT COURT’S DECISION NOT TO STAY TRIAL OF THIS EVICTION ACTION WAS PROPER AND WAS NOT AN ABUSE OF DISCRETION

The district court’s denial of BTI’s motion to stay this eviction action was a proper exercise of the district court’s discretion. On appeal, a district court’s denial of a motion to stay is reviewed for abuse of discretion. Medtronic, Inc. v. Advanced Bionics Corp., 630 N.W.2d 438, 449 (Minn. App. 2001). The first-filed rule, a subset of the principal of comity, generally provides that when two courts have concurrent jurisdiction over an action, the first to acquire jurisdiction is generally seen as having

priority in deciding the case. Minnesota Mut. Life Ins. Co. v. Anderson, 410 N.W.2d 80, 82 (Minn. App. 1987). However, the rule “is not intended to be rigid, mechanical, or inflexible, but should be applied in a manner servicing sound judicial administration.” Id. (citations omitted).

The decision whether to grant a stay is wholly within the discretion of the trial court and that decision will be upheld absent a clear abuse of discretion. Carl Bolander Sons v. City of Minneapolis, 502 N.W.2d 203, 209 (Minn. 1993); Medtronic, Inc., 630 N.W.2d at 449. The mere possibility of multiple determinations is insufficient to result in a determination that a district court has abused its discretion. Id. at 448.

BTI has failed to point to a clear abuse of the district court’s discretion in denying its motion to stay this action, and its reliance on Rice Park Props. v. Robins, Kaplan, Miller & Ciresi, 532 N.W.2d 556 (Minn. App. 1995), is misplaced. Contrary to BTI’s arguments, Rice Park does not demonstrate a preference for staying eviction actions in favor of previously filed actions. Indeed, the case merely reaffirms the “considerable discretion” of the district court in deciding motions to stay. Id. at 452. Indeed, Rice Park stands for the much narrower proposition that a district court’s decision to stay an eviction action pending the resolution of a first-filed action is not necessarily an abuse of the district court’s discretion, despite the summary nature of eviction proceedings. Absent in the Rice Park opinion is any stated preference regarding the district court’s exercise of discretion.

The district court may have determined that the Trustee was entitled to immediate relief, given the additional financial burdens that would result from a stay. Such a determination would have been a reasonable exercise of the district court's discretion, as the potential financial burdens faced by the Trustee included not only the property tax payments that BTI had ceased making, but also those payments necessary for the maintenance of the property, and lost rental income.

In this case, the district court's ruling on the motion was a proper exercise of the district court's broad discretion and should be affirmed.

V. THE JURY'S FINDINGS OF FACT ARE CONCLUSIVE FOR THE PURPOSES OF OTHER ACTIONS

Unlawful-detainer actions will not preclude subsequent title actions. William Weisman Holding Co. v. Miller, 152 Minn. 330, 332, 188 N.W. 732, 733 (1922) (noting that an unlawful detainer action is not a bar to subsequent title actions); Burgermeier v. Bjur, 533 N.W.2d 67, 71 (Minn. App. 1995), rev. denied (Minn. Sept. 20, 1995). However, findings of fact in an unlawful detainer action are conclusive for the purposes of subsequent actions. Id. Indeed, it is not only the right of possession itself that is conclusive but also the facts necessary for such a determination. Cole v. Paulson, 380 N.W.2d 215, 218 (Minn. App. 1986) (stating that "a judgment of restitution is conclusive not only of the right of possession but the facts upon which such right rested.") (citation omitted).

In order to reach its verdict, it was necessary for the jury to find the allegations made in the complaint were true. Thus, the jury determined that BTI leased the

Shakopee Terminal from the Trustee. (App. 199-207.) The jury determined that BTI failed to abide by its obligations under the lease, in that it failed to pay rent and property taxes owing under the lease. (Id.) By its verdict, the jury also determined that BTI did not own the land and did not occupy the land as the “rightful” owner. Under the rule articulated in Cole v. Paulson, all of the facts alleged in the Trustee’s verified complaint, as well as the jury’s determination that the Trustee is entitled to possession of the land, are deemed to be conclusively proven for the purposes of subsequent actions concerning the Shakopee Terminal.

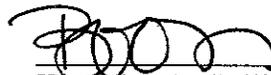
It was undisputed that the Trustee—and not BTI—owned the Shakopee Terminal before the tenancy commenced and that BTI has never been in title and was not entitled to be an owner or to be treated as an owner. At trial, the Trustee objected to BTI making any adverse claims to title, explicitly citing Minn. Stat. § 504B.121 (2006). (T-10.) Despite these and other objections, the district court allowed BTI to argue its theories of its “ownership” of the Shakopee Terminal to the jury. BTI cannot now argue that it should be afforded a second opportunity to do the same. Despite having been given the opportunity to present fully its theory of the case to a jury, BTI now contends that it should not be bound by the jury’s findings of fact. This contention is contrary to the clear rule of law, which provides that, while issues of title may still be interposed in later actions, findings of fact in an unlawful-detainer action are conclusive. Cole, 380 N.W.2d at 218.

CONCLUSION

The evidence presented at trial sustains the conclusions reached by the jury. There was ample evidence to support the jury's determination regarding the existence of a lease, including the Trustee's testimony, testimony from the parties' advisors, characterization of BTI's payments to the Trustee as "rent," not only in the Trustee's tax returns, but also in BTI's tax returns and financial statements. Indeed, there is almost no evidence supporting BTI's position other than the Sapatnekars' testimony, which the jury was free to reject. Further, the district court's decision not to stay trial of the eviction action was proper, and within the district court's broad discretion. Finally, the jury instructions properly reflected the governing law and encompassed BTI's theories of the case. Thus, the Trustee respectfully asks this Court to affirm the district court's entry of judgment.

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Dated: November 13, 2007



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NO. A07-1327

**STATE OF MINNESOTA
IN COURT OF APPEALS**

Bjorklund Trucking, Inc.,

Appellant,

vs.

**CERTIFICATION OF BRIEF
LENGTH**

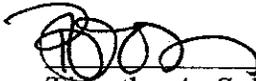
**Harold Bjorklund as Trustee of the
Harold Bjorklund Revocable Trust U/A
January 14, 2004,**

Respondent.

We hereby certify that this brief conforms to the requirements of Minn. R. Civ. App. P. 132.01, subs. 1 and 3, for a brief produced with a 13-point, Times New Roman font. The length of this brief is 528 lines and 5,812 words. This brief was prepared using Microsoft Word 2000.

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