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Minn. Stat. § 480A.08, subd. 3 (2010).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A11-1756**

James R. Pulford, et al.,
Respondents,

vs.

David L. Anderson, et al.,
Appellants,

John Doe, et al.,
Defendants,

and

David L. Anderson, Sr., et al.,
Appellants,

vs.

James R. Pulford, et al.,
Respondents,

Anna Miles,
Respondent,

and

Anna Miles,
Respondent,

vs.

David L. Anderson,
Appellant.

**Filed July 30, 2012
Affirmed
Halbrooks, Judge**

Clearwater County District Court
File Nos. 15-CV-10-603, 15-CV-10-606, 15-CV-11-134

Mark Wangberg, Carpenter & Wangberg, P.A., Bemidji, Minnesota (for respondents James R. Pulford, et al.)

Kevin T. Duffy, Thief River Falls, Minnesota (for appellants)

Anna Miles, Clearbrook, Minnesota (pro se attorney)

Considered and decided by Worke, Presiding Judge; Halbrooks, Judge; and Bjorkman, Judge.

UNPUBLISHED OPINION

HALBROOKS, Judge

Appellants challenge the district court's refusal to exercise its equitable authority to reinstate a contract for deed. Because appellants have not demonstrated any equitable right to its reinstatement nor any wrongful act on the part of respondents justifying reinstatement, we affirm.

FACTS

In 2002 or 2003, appellant David L. Anderson, primary shareholder, officer, and owner of appellant David L. Anderson Dairy, Inc. (the corporation), lost his ownership of a farm through a bank foreclosure. Anderson asked respondents James and Janice Pulford to help him regain ownership of the farm. The Pulfords bought the farm from the bank and sold it to the corporation on a contract for deed for \$155,000.

The contract for deed prohibited the sale or lease of the property without the Pulfords' consent. Additionally, it required the corporation to obtain liability insurance for the property, pay property taxes, pay \$30,000 on July 15, 2003, and pay the remaining balance, together with 8% interest, by July 1, 2004. The corporation never obtained liability insurance, ceased paying property taxes in October 2003, and did not make the July 2003 or July 2004 payments. The corporation has made only a single payment of \$50,000 principal and \$9,960 in interest since the contract's execution.

The Pulfords initiated mandatory farmer-lender mediation, during which the parties orally agreed to cooperatively market the property to enable the corporation to pay the remaining balance. The Pulfords claim the agreement was to last nine months, whereas Anderson and the corporation claim that the agreement was indefinite. In the next nine months, the parties were unable to sell any of the property. In November 2006, the mediator terminated mediation, stating that the parties were unable to reach an agreement.

In June 2008, Anderson allegedly entered into a contract with Jim Ingvaldson for the sale of five acres and a contract with Tom Grabanski for the sale of forty acres. Anderson directed Ingvaldson and Grabanski to seek the approval of the Pulfords, as required by the contract for deed, but the Pulfords refused to sell.

On February 11, 2009, the Pulfords filed a notice of cancellation of the contract for deed in accordance with Minn. Stat. § 559.21 (2008) and the contract for deed. During the 60-day redemption period, the corporation did not cure or attempt to cure the default, nor did it seek a court order to suspend the termination of the contract. The

notice of cancellation was therefore recorded on April 29, 2009. The Pulfords requested that Anderson and the corporation vacate the property, but they refused. The Pulfords later sold a portion of the property to respondent Anna Miles.

In November 2010, the Pulfords and Miles brought separate eviction actions against Anderson and the corporation. In response, Anderson initiated a civil action, requesting damages and reinstatement of the contract for deed on the basis that the Pulfords (1) violated the Farmer Lender Mediation Act by failing to participate in mediation in good faith and (2) tortiously interfered with his contracts with Ingvaldson and Grabanski.

The district court rejected these claims and found that (1) the corporation defaulted on the contract for deed, (2) the Pulfords were entitled to cancel the contract for deed, and (3) the corporation did not cure or attempt to cure the default and did not seek an order suspending the termination of the contract during the 60-day redemption period. It therefore ordered Anderson and the corporation to vacate the property. Neither Anderson nor the corporation filed a motion for a new trial, but they now appeal the district court's refusal to exercise its equitable authority to reinstate the contract for deed.

D E C I S I O N

If a purchaser materially breaches the conditions of a contract for deed, the seller may cancel the contract, recover the land, and forego recovery of the balance. Minn. Stat. § 559.21, subd. 2a (2010); *Coddon v. Youngkrantz*, 562 N.W.2d 39, 42 (Minn. App. 1997), *review denied* (Minn. July 10, 1997); *Neuman v. Demmer*, 414 N.W.2d 240, 243 (Minn. App. 1987), *review denied* (Minn. Jan. 15, 1988). But in narrow circumstances,

the court may exercise its equitable authority to reinstate the contract for deed. *Coddon*, 562 N.W.2d at 44; *D.J. Enters. of Garrison, Inc. v. Blue Viking, Inc.*, 352 N.W.2d 120, 122 (Minn. App. 1984), *review denied* (Minn. Oct. 11, 1984). This court reviews a district court's exercise of equitable authority for abuse of discretion. *Bolander v. Bolander*, 703 N.W.2d 529, 548 (Minn. App. 2005).

Anderson and the corporation argue that the district court should have exercised its equitable authority to reinstate the contract for deed. As a preliminary matter, we note that Anderson and the corporation have not properly preserved this challenge on appeal because they did not raise it in a posttrial motion. *See Sauter v. Wasemiller*, 389 N.W.2d 200, 202 (Minn. 1986). We nevertheless address the matter in the interests of justice.

Anderson and the corporation's argument fails for two reasons. First, Anderson and the corporation have no equitable right to reinstatement. Equitable intervention is appropriate where the purchaser has paid all but a nominal portion of the purchase price or has cured a prior default. *See Coddon*, 562 N.W.2d at 43 (intervening where purchaser made a single installment seven days late but otherwise performed all the terms of the contract for deed); *D.J. Enters.*, 352 N.W.2d at 122 (intervening where purchaser had already paid over 75% of the purchase price and demonstrated its willingness and ability to pay the remaining balance pending litigation). Given the district court's undisputed findings that the corporation defaulted on the deed, made no payments on the contract since 2004, and paid only \$50,000 in principal in over eight years, neither Anderson nor the corporation has an equitable right to reinstatement of the contract.

Second, Anderson and the corporation have not shown that the Pulfords committed any misdeeds justifying a reinstatement of the contract for deed. Equitable intervention may be appropriate where the seller's misdeeds caused the purchaser's original default. *See Aune v. Bona*, 305 N.W.2d 602, 604 (Minn. 1981). But the district court did not find, nor does Anderson or the corporation allege, that the Pulfords caused the corporation to default. At most, the Pulfords prevented the corporation from paying off a portion of the remaining balance—that was already long past due—by exercising their contractual right to withhold consent to any potential sale of the property. We conclude that the district court did not abuse its discretion by refusing to reinstate the contract for deed.

Affirmed.