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Minn. Stat. § 480A.08, subd. 3 (2012).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A13-0852**

Rum River Land Surveyors, Inc.,
Respondent,

vs.

Leonard P. LaLonde,
as Personal Representative of the Estate of Eugene J. LaLonde, III, et al.,
Respondents,

Deutsche Bank National Trust Company,
as Trustee for Ameriquest Mortgage Securities, Inc.
Asset-Backed Pass-Through Certificates, Series 2004-R5,
Under the Pooling and Servicing Agreement dated June 1, 2004,
Respondent,

Metro Land Surveying & Engineers, Inc.,
Appellant.

**Filed December 9, 2013
Affirmed
Schellhas, Judge**

Pine County District Court
File No. 58-CV-12-189

Samuel R. Coleman, Berry Law Offices, Princeton, Minnesota (for respondent Rum River Land Surveyors)

R. John Bartz, Bartz & Bartz, PA, Edina, Minnesota (for respondent Leonard P. LaLonde)

Gerald G. Workinger, Jr., Usset, Weingarden & Liebo, PLLP, Minneapolis, Minnesota (for respondent Deutsche Bank National Trust Company)

Mark D. Luther, Minnetonka, Minnesota (for appellant)

Considered and decided by Schellhas, Presiding Judge; Stauber, Judge; and Bjorkman, Judge.

UNPUBLISHED OPINION

SCHELLHAS, Judge

Appellant argues that the district court erred by concluding that appellant did not have a judgment lien against real estate. We affirm.

FACTS

This appeal by a judgment creditor arises out of a mortgage foreclosure and priority dispute, involving the following real estate (the property):

The South Half of South Half of Northwest Quarter (S ½ of S ½ of NW ¼) of Section Twenty-four (24), Township Forty-three (43) Range Twenty (20), subject to a permanent easement for roadway purposes over the West two (2) rods of the South Half of Southwest Quarter of Northwest Quarter (S ½ of SW ¼ of NW ¼) of said Section 24, Township 43, Range 20, Pine County, Minn.

In July 1990, Eugene LaLonde acquired an undivided one-half interest in the property. In March 1991, Eugene LaLonde acquired another undivided one-half interest in the property. Eugene LaLonde's deeds covering his interest in the property were recorded in the Pine County Recorder's Office.

On April 10, 2004, Eugene LaLonde granted Ameriquet Mortgage Company a \$112,892 mortgage against an undivided one-half interest in the property. Ameriquet recorded the mortgage on May 7, 2004. On January 2, 2009, appellant Metro Land Surveying & Engineers Inc. docketed a \$106,038 judgment against Eugene LaLonde in Pine County. On January 20, 2009, Ameriquet assigned its mortgage to respondent

Deutsche Bank National Trust Company and recorded the assignment on February 17, 2009. Eugene LaLonde also granted a \$30,164 mortgage to respondent Rum River Land Surveyors Inc. against his entire interest in the property, and Rum River recorded the mortgage on June 2, 2009.

In a reformation action, Deutsche Bank, as assignee, sought to reform the Ameriquest mortgage, alleging that the legal description of the property contained in the 2004 mortgage included only an undivided one-half interest in the property instead of the entire interest, as intended. Deutsche Bank named Rum River as a defendant and Rum River stipulated to the reformation of the legal description of the property by removing the one-half-interest language. Deutsche Bank stipulated to Rum River's priority in the undivided one-half interest in the property that was not included in the legal description in the original Ameriquest mortgage. As a result, Rum River retained a lien against an undivided one-half interest in the property that was senior to the Ameriquest mortgage and a lien against the other undivided one-half interest in the property that was junior to the Ameriquest mortgage. In its findings of fact, conclusions of law, order for judgment and judgment, the district court noted that Rum River participated in the reformation action and that Eugene LaLonde did not, even though he was duly served with the summons and complaint.¹ Based on the stipulations of Deutsche Bank and Rum River, the court ordered reformation of Deutsche Bank's mortgage. Entry of judgment occurred on June 9, 2010.

¹ Metro Land was not a party to the reformation action, and the district court did not mention it.

Eugene LaLonde died intestate on January 8, 2010, without a surviving spouse or descendants. His only heir was his mother, and the only real property he owned at the time of his death was the homestead property that is the subject of this case. A probate court appointed defendant Leonard LaLonde to serve as personal representative of Eugene LaLonde's estate. At the time of his death, Eugene LaLonde had made no payments on the Rum River indebtedness that was secured by a mortgage against the property. As to the Metro Land judgment, although the estate published a creditor's notice, it did not mail a copy to Metro Land, and Metro Land never presented a claim to the estate.

In 2012, Rum River commenced a mortgage foreclosure by action against Leonard LaLonde, as personal representative for Eugene LaLonde's estate, and also named Deutsche Bank and Metro Land as defendants. Metro Land answered, counterclaimed, and cross-claimed, seeking "an adjudication as to the amount, validity, and priorities of the parties['] mortgages and judgment lien interests in the property" and requesting a sheriff's sale of the property to satisfy its January 2, 2009 docketed judgment. Deutsche Bank answered Metro Land's cross-claim, alleging, among other things, that Metro Land's judgment was not a lien against the property.

The parties stipulated to facts, including, among other things, that the property was Eugene LaLonde's homestead before January 1, 2009, and "until the moment of his death." Based on the stipulated facts, the district court concluded that Rum River was entitled to a \$30,164 judgment against Eugene LaLonde's estate and a foreclosure of its mortgage against the property; that Rum River's mortgage was prior and superior to

Deutsche Bank's mortgage as to an undivided one-half interest in the property and that Deutsche Bank's mortgage was prior and superior to Rum River's mortgage as to the other undivided one-half interest; and that Metro Land's judgment against Eugene LaLonde was not a lien against the property.

This appeal follows.

DECISION

An appellate court reviews de novo “[t]he application of law to stipulated facts,” *In re Estate of Barg*, 752 N.W.2d 52, 63 (Minn. 2008), and statutory interpretation, *500, LLC v. City of Minneapolis*, 837 N.W.2d 287, 290 (Minn. 2013). An appellate court must apply an unambiguous statute’s plain meaning, *500, LLC*, 837 N.W.2d at 290, with “[t]he goal of . . . ascertain[ing] and effectuat[ing] the intention of the legislature,” *City of Moorhead v. Red River Valley Coop. Power Ass’n*, 830 N.W.2d 32, 37 (Minn. 2013) (quotation omitted). Metro Land argues that the district court erred by concluding that Metro Land’s judgment against Eugene LaLonde was not a lien against the property. We disagree with Metro Land.

“From the time of docketing the judgment is a lien, in the amount unpaid, upon all real property in the county then or thereafter owned by the judgment debtor” Minn. Stat. § 548.09, subd. 1 (2012).² But, here, the property of the debtor, Eugene LaLonde, was homestead property when Metro Land docketed its judgment in Pine County.

² We cite the most recent version of all statutes in this opinion because they have not been amended in relevant part. See *Interstate Power Co. v. Nobles Cnty. Bd. of Comm’rs*, 617 N.W.2d 566, 575 (Minn. 2000) (stating that, generally, “appellate courts apply the law as it exists at the time they rule on a case”).

Because the property was Eugene LaLonde's homestead property, it was "exempt from seizure or sale under legal process on account of any debt not lawfully charged thereon in writing" under Minn. Stat. § 510.01 (2012). *See Eustice v. Jewison*, 413 N.W.2d 114, 120 (Minn. 1987) ("[T]he judgment . . . could attach only to his non-exempt property." (emphasis omitted)); *Oxborough v. St. Martin*, 142 Minn. 34, 35, 170 N.W. 707, 708 (1919) ("[T]he land was a homestead when the judgment was docketed and was exempt from the judgment while it remained a homestead."); *Goswitz v. Jefferson*, 123 Minn. 293, 295, 143 N.W. 720, 721 (1913) ("[T]he lot forthwith became her homestead, and the lien of judgments existing against her could not attach thereto at that time."); *see also First Nat'l Bank of Mankato v. Wilson*, 234 Minn. 160, 163, 47 N.W.2d 764, 766 (1951) (construing Minn. Stat. § 548.09 as rendering "[t]he judgment . . . a lien upon all nonhomestead property then or thereafter owned by" judgment debtor (emphasis added)).

When Eugene LaLonde died on January 8, 2010, the property ceased to be homestead property because Eugene LaLonde could no longer reside on or occupy the property. *See* Minn. Stat. § 510.01 (requiring that a homestead include "[t]he house owned and occupied by a debtor as the debtor's dwelling place"). Metro Land argues that, when the property was no longer a homestead, its judgment attached to the property as a lien under Minn. Stat. §§ 548.09, subd. 1, 524.2-402(c) (2012). We disagree.

Metro Land stresses, and we agree, that "[t]he judgment survives, and the lien continues, for ten years after its entry." Minn. Stat. § 548.09, subd. 1. But, a judgment, from the time of docketing, is only a lien upon real property that is "owned by the judgment debtor." *Id.*; *see Kipp v. Sweno*, 683 N.W.2d 259, 266 (Minn. 2004) (citing

Minn. Stat. § 548.09, subd. 1(1) (2002), stating that “a judgment debtor . . . may not increase the reach of the judgment lien beyond property owned by the judgment debtor”). When Eugene LaLonde died on January 8, 2010, he no longer owned the property because the property immediately passed to his only heir, his mother. *See In re Beachside I Homeowners Ass’n*, 802 N.W.2d 771, 774–75 (Minn. App. 2011) (analyzing Minn. Stat. §§ 524.3-101, .3-901 (1990), stating that “the Minnesota probate code explicitly provides for the devolution of property to a decedent’s heirs upon death and does not require a probate proceeding”); *In re Estate of Breole*, 298 Minn. 116, 120, 212 N.W.2d 894, 896 (1973) (noting that, subject to administration, property rights vest in decedent’s heirs “at the date of death”). “[W]here there is no title or estate, there is nothing to which the lien of the judgment can attach—no tangible subject for the action of the lien.” *Lowe v. Reiersen*, 201 Minn. 280, 283, 276 N.W. 224, 225 (1937) (quotation omitted). Because Eugene LaLonde was not the owner upon his death, Metro Land’s judgment could not attach as a lien to the property upon his death.

Section 524.2-402(c) provides as follows:

If the homestead passes by descent or will to the spouse or decedent’s descendants or to a trustee of a trust of which the spouse or the decedent’s descendants are the sole current beneficiaries, it is exempt from all debts which were not valid charges on it at the time of decedent’s death except that the homestead is subject to a claim filed pursuant to section 246.53 for state hospital care or 256B.15 for medical assistance benefits. If the homestead passes to a person other than a spouse or decedent’s descendants or to a trustee of a trust of which the spouse or the decedent’s descendants are the sole current beneficiaries, it is subject to the payment of

expenses of administration, funeral expenses, expenses of last illness, taxes, and debts. The claimant may seek to enforce a lien or other charge against a homestead so exempted by an appropriate action in the district court.

Under the second sentence in section 524.2-402(c), when the property passed to Eugene LaLonde's mother, the property, as part of the estate, became subject to "debts," and an unpaid judgment is a debt. *See* Minn. Stat. § 548.09, subd. 1 (referring to person against whom judgment is docketed as "judgment debtor"); *Black's Law Dictionary* 463 (9th ed. 2009) (defining "judgment debt" as "[a] debt that is evidenced by a legal judgment or brought about by a successful lawsuit against the debtor"). But nothing in section 524.2-402(c) provides for attachment of a *judgment* as a lien against property in the estate. Notably, the third sentence in section 524.2-402(c) provides that "[t]he claimant may seek to enforce a *lien* or other *charge* against a homestead so exempted by an appropriate action in the district court." (Emphasis added.)

An appellate court must construe a statute "as a whole and the words and sentences therein are to be understood in the light of their context." *In re Minn. Power*, 838 N.W.2d 747, 754 (Minn. 2013) (quotations omitted). Read in context, we construe the reference to "a lien or other charge" in the third sentence of section 524.2-402(c) as pertaining only to a lien or other charge based on "a claim filed pursuant to section 246.53 for state hospital care or 256B.15 for medical assistance benefits," as stated in the first sentence of section 524.2-402(c).

We conclude that the district court did not err by determining that Metro Land did not have a judgment lien against the property because its judgment did not attach to the property as a lien during Eugene LaLonde's life, upon his death, or after his death.

Affirmed.