STATE OF MINNESOTA
IN COURT OF APPEALS
A12-0732

North Star International Trucks, Inc.
d/b/a Astleford International Trucks, et al.,
Appellants,

vs.

Navistar, Inc.,
Respondent,

Boyer Ford Trucks, Inc.,
Respondent.

Filed April 8, 2013
Affirmed
Peterson, Judge

Hennepin County District Court
File No. 27-CV-10-511

Elizabeth Catherine Kramer, Robert L. Demay, Douglas R. Boettge, Leonard, Street and Deinard, Minneapolis, Minnesota (for appellants)

Melissa Ruth Stull, George W. Soule, Bowman & Brooke LLP, Minneapolis, Minnesota; and

Michael R. Levinson, Marcus L. Mintz (pro hac vice), Seyfarth Shaw LLP, Chicago, Illinois (for respondent Navistar, Inc.)

Ronald Kenton Gardner, Jr., J. Michael Dady, Dady and Gardner, P.A., Minneapolis, Minnesota (for respondent Boyer Ford Trucks, Inc.)

Considered and decided by Peterson, Presiding Judge; Ross, Judge; and Chutich, Judge.

U N P U B L I S H E D O P I N I O N

PETERSON, Judge

This appeal is from a judgment following a jury and court trial of appellant-dealerships' claims against respondent-manufacturer for breach of the dealership agreements and violations of the Minnesota Motor Vehicle Sale and Distribution Act (MVSDA), Minn. Stat. §§ 80E.01-.18 (2012), and the Minnesota Heavy and Utility Equipment Manufacturer and Dealers Act (HUEMDA), Minn. Stat. §§ 325E.068-0684 (2012). Appellants assert that the district court erred by denying their requests for judgment as a matter of law, injunctive relief, and a new trial. We affirm.

FACTS

Appellants North Star International Trucks, Inc. and Astleford Equipment Co., Inc. are franchised dealers of the International line-make of trucks manufactured by respondent Navistar, Inc. Each of the dealerships has a dealer sales/maintenance agreement (DSM) with Navistar. The DSMs assign each dealer a nonexclusive territory called an area of responsibility (AOR).

H. Scott Dawson owns[1] and is the dealer-principal for both of the dealerships. The Astleford dealership, located in Burnsville, has been owned by Dawson's family since 1965; there has been a history of conflict between Astleford and Navistar. *See Astleford Equip. Co. v. Navistar Int'l Transp. Co.*, 632 N.W.2d 182, 183-84 (Minn. 2001) (describing history of litigation between the parties). The relationship between the

[1] Dawson owns North Star directly, and is the equitable owner of Astleford, which remains a part of his deceased mother's estate.

parties improved after Dawson took over as dealer-principal for Astleford in 2000; in late 2003, Dawson took over as manager of Minneapolis-based North Star, which was then owned by Navistar, and in 2006, Dawson acquired North Star from Navistar. During the following years, however, the parties' relationship soured.

Beginning in early 2007, Navistar became concerned about the dealerships' performance. Together, the dealerships' AORs comprised most of the Twin Cities area, and Navistar was concerned that the dealerships were not maximizing sales. Navistar representatives met regularly with Dawson and dealership employees to discuss business plans. Concerns also arose over morale, customer complaints, and the manner in which Dawson interacted with Navistar's representatives.

In November 2007, after discovering some irregularities, Navistar initiated a 12-month audit of North Star's warranty claims. The audit ultimately found deficiencies in North Star's procedures for processing warranty claims and $67,313 in claims without proper substantiation. Navistar agreed to allow the claims if North Star could demonstrate an improvement to its procedures. When North Star failed to do so to Navistar's satisfaction, Navistar notified North Star that it would go ahead with charging back the claims.

In October 2008, Navistar representatives met with Dawson to conduct a performance review. Aida Tanaka and Mike Green, members of Navistar's dealer-operations team, told the dealerships that they were not meeting performance expectations. Tanaka followed up with a November 5 letter that summarized Navistar's concerns, seeking to set up a meeting in Chicago on November 12, 2008, between

Dawson and Navistar executives, including Tanaka and John Whitnell, Navistar's vice president for dealer operations.

Dawson replied to the November 5, 2008, letter with an e-mail that asked for the data to support Tanaka's performance statistics and stated that Dawson was not available to meet on November 12. The meeting was rescheduled for December 16, 2008, but was canceled because weather prevented Dawson from flying to Chicago. Dawson did, however, send Tanaka an e-mail on December 16, disputing the methods used in the November 5 letter to measure the dealerships' performance. Over the next two days, Whitnell and Dawson exchanged a series of increasingly hostile e-mails that defended their respective positions and proposed meetings in their own locations. The December 16 meeting was never rescheduled.

On January 7, 2009, Navistar sent a letter to North Star announcing Navistar's intent to remove 51 zip-codes from North Star's AOR, effective February 23, 2009. North Star did not respond to the letter. On April 27, 2009, Whitnell sent an e-mail to Dawson advising him that "the open point in the Minnesota AOR has been filled" and that Navistar had executed a DSM with respondent Boyer Ford Trucks, Inc. for a dealership in Rogers, where Boyer had sold a competing line of trucks until the manufacturer discontinued the line in October 2008. Whitnell concluded his e-mail: "I am available to come to Minnesota to meet with you if you are so inclined. Please let [me know] of your interest and potential dates that are available." Dawson did not respond.

Both Whitnell and Tanaka made additional unsuccessful attempts to communicate with Dawson during the first half of 2009, and they characterized Dawson as having gone "radio silent." Navistar received two letters from North Star during this period. On January 30, 2009, Dawson sent a letter objecting to Navistar's intent to charge back the $67,313 for unsubstantiated warranty payments, but that letter did not include any objection to the removal of the zip-codes. On June 11, 2009, counsel for the dealerships sent a letter to Navistar's counsel asserting that Navistar had violated Minn. Stat. § 80E.14 by establishing a new dealership within .2 miles of North Star's location, based on a website listing of the Minneapolis Boyer Ford location as a Navistar dealer. (Navistar's counsel responded that Boyer's only authorized location was in Rogers and that the website listing was a technical error and would be corrected.) The June 11 letter from the dealerships' counsel did not object to the removal of the zip-codes or to Navistar's entry into a franchise agreement with Boyer for its Rogers location.

In August 2009, Tanaka had a meeting with Dawson, at which they discussed Navistar's ongoing concerns about performance and Dawson's failure to communicate with Navistar. Tanaka suggested that attending an upcoming dealer meeting would help repair the parties' relationship. Dawson did not attend that meeting.

On November 13, 2009, Tanaka sent Dawson a notice that the dealerships were in breach of the DSMs, citing the dealerships' failures to achieve a reasonable share of the market, to aggressively market the product, to investigate and resolve all customer complaints, to attend company-sponsored meetings, and to furnish financial information in the required format. The letter concluded that "[u]nless [the dealerships have] taken

appropriate corrective steps by April 30, 2010, Navistar shall consider itself entitled to serve notice to terminate."

The dealerships responded by bringing this suit, initially asserting nine claims against Navistar.[2] The district court entered a temporary injunction, which this court affirmed. *N. Star Int'l Trucks, Inc. v. Navistar, Inc.*, No. A10-864, 2011 WL 9173 (Minn. App. Jan. 4, 2011). Following discovery and dispositive motions, eight of the claims against Navistar were tried, some to the court and some to a jury. The district court determined that the dealerships' claim for bad-faith threatened termination of franchises (Count I) was premature and dismissed that claim. The jury found in favor of Navistar on the dealerships' claims for (a) breach of warranty obligations under the MVSDA (Count II); (b) modification of North Star's franchise in violation of the MVSDA (Count III); (c) breach of the implied covenant of good faith and fair dealing in the stock-redemption agreement entered into when Dawson purchased North Star (Count IV); (d) establishment of a new dealership in violation of the MVSDA (Count VII); and (e) change in competitive circumstances in violation of the MVSDA (Count VIII). The jury found in favor of North Star on its claim for breach of the implied covenant of good faith and fair dealing in the DSMs (Count V), but found insufficient evidence to assess damages, and the district court denied injunctive relief on that claim. The district court found in favor of Navistar on appellants' claim for price discrimination in violation of the HUEMDA (Count VI) and declined to grant injunctive relief, the only remedy requested

[2] The dealerships also asserted five claims against Boyer, two of which were tried to the jury. The dealerships settled their claims with Boyer after trial, and those claims are not at issue in this appeal.

for that claim. Appellants moved for amended findings, judgment as a matter of law (JMOL), and a new trial. The district court amended some findings, but denied JMOL and a new trial.

This appeal follows.

D E C I S I O N

I.

North Star first challenges the denial of JMOL on Count III, its claim that Navistar violated the MVSDA by removing 51 zip codes from its AOR and reassigning them to Boyer. On appeal from the denial of a motion for JMOL, "this court determines whether there is any competent evidence reasonably tending to sustain the verdict." *Bolander v. Bolander*, 703 N.W.2d 529, 545 (Minn. App. 2005); s*ee* Minn. R. Civ. P. 50.01 (governing JMOL). "The jury's verdict stands unless it is manifestly and palpably contrary to the evidence, considered in the light most favorable to the plaintiff." *Bolander*, 703 N.W.2d at 545 (citing *Stuempges v. Parke Davis & Co.*, 297 N.W.2d 252, 256 (Minn. 1980)). "Verdicts are upset only in extreme circumstances." *Id.*

North Star asserts that Navistar's action in removing the zip codes and reassigning them to Boyer violated the MVSDA, which provides that it is an unlawful and unfair practice for a manufacturer to

> threaten to modify or replace or modify or replace a franchise with a succeeding franchise that would adversely alter the rights or obligations of a new motor vehicle dealer under an existing franchise or that substantially impairs the sales or service obligations or investments of the motor vehicle dealer.

Minn. Stat. § 80E.13(k). The jury found that Navistar modified North Star's franchise by removing the 51 zip codes, and that the removal "substantially impair[ed] the sales or service obligations or investments of North Star." But the jury also found that North Star's claim was barred by waiver. North Star argues that it is entitled to JMOL on this claim because the language of Minn. Stat. § 80E.17 precludes the claim from being waived, and, alternatively, because the evidence does not support a finding of waiver.

A. Availability of a common-law waiver defense

North Star argues that the language of Minn. Stat. § 80E.17, which provides a private right of action for those aggrieved by violations of the MVSDA, precludes Navistar from asserting a common-law waiver defense. This argument requires us to interpret the MVSDA. Our objective in interpreting statutes is to discern the intent of the legislature. Minn. Stat. § 645.16 (2012). "When the legislature's intent is clearly discernible from a statute's plain and unambiguous language, the court interprets the language according to its plain meaning without resorting to other principles of statutory construction." *Effrem v. Effrem*, 818 N.W.2d 546, 550 (Minn. App. 2012) (citing *State v. Kelbel*, 648 N.W.2d 690, 701 (Minn. 2002)).

We conclude that the plain language of section 80E.17 does not preclude a common-law waiver defense to an MVSDA claim. The statute provides:

> *Notwithstanding the terms of any franchise agreement or waiver to the contrary*, any person whose business or property is injured by a violation of sections 80E.01 to 80E.17, or any person injured because of the refusal to accede to a proposal for an arrangement which, if consummated, would be in violation of sections 80E.01 to 80E.17, may bring a civil action to enjoin further violations and to recover the

> actual damages sustained, together with costs and disbursements, including reasonable attorney's fees.

Minn. Stat. § 80E.17 (emphasis added). North Star contends that the first phrase of the statute, emphasized above, indicates the legislature's intent to preclude a common-law waiver defense to claims under the MVSDA. But the words "the terms of any" modify both "franchise agreement" and "waiver" in the statute and indicate that the legislature is referring to waiver agreements between manufacturers and dealers. *See Black's Law Dictionary* 1481 (9th ed. 2009) (defining "term" as "[a] contractual stipulation"); *Amer. Heritage Dictionary of the English Language* 1796 (5th ed. 2011) (defining "terms" as "[o]ne of the elements of a proposed or concluded contract; a condition").[3] A common-law waiver is based on the unilateral conduct of one party and thus cannot be logically understood to have "terms." *See Valspar Refinish, Inc. v. Gaylord's, Inc.*, 764 N.W.2d 359, 367 (Minn. 2009) (explaining that waiver "is essentially unilateral and results as a legal consequence from some act or conduct of the party against whom it operates, without any act of the party in whose favor it is made being necessary to complete it" (quotation omitted)). Thus, the statute precludes only a waiver defense that is based on a waiver agreement. Accordingly, we reject North Star's assertion that section 80E.17 precludes Navistar from asserting a common-law waiver defense.

[3] North Star argues that the words "the terms of any" modify only "franchise agreement" and not "waiver." But setting aside "the terms of any franchise agreement" as an independent phrase, the statute would read "Notwithstanding . . . waiver to the contrary. . . ." The statute does not make grammatical sense when parsed in this fashion, and thus North Star's interpretation cannot be the proper interpretation. *See* Minn. Stat. § 645.08(1) (2012) (providing that "words and phrases are construed according to rules of grammar and according to their common and approved usage").

B. Sufficiency of the evidence to support a finding of waiver

North Star argues, in the alternative, that the evidence at trial was not sufficient to support the jury's finding that North Star waived its claim under section 80E.17. "Waiver is the 'voluntary and intentional relinquishment of a known right.'" *City of Minneapolis v. Minneapolis Police Relief Ass'n*, 800 N.W.2d 165, 176 (Minn. App. 2011) (quoting *Ill. Farmers Ins. Co. v. Glass Serv. Co.*, 683 N.W.2d 792, 798 (Minn. 2004)). A party alleging waiver must prove "that the party allegedly waiving the right had both knowledge of the specific right and the intention to waive the right." *Id.* "Knowledge may be actual or constructive, and intention may be inferred from conduct." *Id.* Waiver is generally a jury question, although on undisputed facts it may present an issue of law. *Meagher v. Kavli*, 251 Minn. 477, 486, 88 N.W.2d 871, 878 (1958); *City of Minneapolis*, 800 N.W.2d at 177. North Star contends that the evidence did not establish either that it had knowledge of its rights or that it intended to waive its rights.

With respect to knowledge, North Star contends that, by itself, the removal of zip codes did not violate its DSM; that its rights were not violated until Navistar used the removal to appoint Boyer as a dealer; and that, once North Star became aware of Boyer's appointment, it would have been futile to object to the zip-code removal. The district court rejected this argument, reasoning that "North Star cannot credibly argue that North Star did not know Navistar would appoint Boyer Ford as an International dealer in Rogers." We agree. North Star was represented by counsel and familiar with Minnesota franchise law, and thus should have known that Navistar's removal of the zip codes from its AOR would allow the establishment of a different dealer for those areas. Thus, even if

North Star was not specifically aware that Boyer would be appointed the dealer for the removed zip codes, it was aware of its specific rights under section 80E.13(k) to not have its franchise modified or replaced by a succeeding franchise. Furthermore, on March 20, 2009, Dawson sent an e-mail that reflected his knowledge that Boyer might be established as a dealer for the removed zip codes, and he testified that he "had heard that they were going to get it."

With respect to intent, North Star argues that the evidence was insufficient because "[m]ere inaction or silence does not constitute waiver." *Indep. Sch. Dist. No. 254 v. City of Kenyon*, 411 N.W.2d 545, 550 (Minn. App. 1987); *see also Frandsen v. Ford Motor Co.*, 801 N.W.2d 177, 182 (Minn. 2011) (explaining that both express and implied waiver "require an expression of intent to relinquish the right at issue"). But the record reflects more than mere inaction or silence: it reflects North Star's continued operation of the dealership without objection to the modified AOR and its omission of any reference to the zip-code removal from two demand letters that identified the contractual rights that North Star sought to enforce. The district court concluded that North Star's intent to waive the section 80E.13(k) claim could be inferred from Dawson's failure to respond to the letter notifying North Star of Navistar's intent to remove the 51 zip codes from North Star's AOR, from Dawson's general failure to communicate with Navistar during the relevant period, and from the failure of Dawson or the dealership's counsel to object to the zip-code removal in the demand letters sent to Navistar in January 2009 and June 2009. We agree that this evidence was sufficient to support the jury's verdict. *See Fischer v. Pinske*, 309 Minn. 202, 205, 243 N.W.2d 733, 735 (1976)

("Where, by the course of conduct of one party to a contract, entitled to performance of certain terms of conditions thereof, the other party has been led to believe . . . that such performance will not be required, until it has become too late to perform, or until to insist upon performance would work material injustice, the person who has so conducted himself is barred from asserting the right he had." (quotation omitted)).

Because the evidence was sufficient to support the jury's finding of waiver, the district court did not err by denying JMOL on Count III.[4]

II.

North Star challenges the denial of JMOL on Count VIII, its claim that Navistar changed the competitive circumstances of North Star's franchise without good cause. This claim implicates Minn. Stat. § 325E.0681, which provides, in relevant part, that "[n]o equipment manufacturer, directly or through an officer, agent, or employee may terminate, cancel, fail to renew, or substantially change the competitive circumstances of a dealership agreement without good cause." Minn. Stat. § 325E.0681, subd. 1 (2012). The jury found that Navistar changed North Star's competitive circumstances, but also found that Navistar had good cause for doing so. North Star contends that the evidence was insufficient to support the jury's finding of good cause.

The statute defines "good cause" as "failure by an equipment dealer to substantially comply with essential and reasonable requirements imposed upon the dealer

[4] Because we conclude that the evidence was sufficient to support the jury's finding of waiver, we need not reach Navistar's alternative argument that the conduct alleged by North Star with respect to Count III did not violate Minn. Stat. § 80E.13(k) as a matter of law.

by the dealership agreement, if the requirements are not different from those requirements imposed on other similarly situated dealers by their terms." Minn. Stat. § 325E.0681, subd. 1. Navistar presented evidence that North Star failed to comply with numerous provisions of North Star's DSM, including requirements that North Star maintain a reasonable market share; aggressively promote sales and participate in promotions; investigate and resolve complaints; attend company-sponsored events; submit financial reports in the form prescribed by Navistar; and maintain sufficient personnel. We agree that there is sufficient evidence to support jury determinations that North Star violated some or all of these provisions. North Star disputed the methods that Navistar used to evaluate its performance and otherwise argued that its conduct did not violate its DSM, but we will not reweigh the evidence on appeal. *See Longbehn v. Schoenrock*, 727 N.W.2d 153, 159 (Minn. App. 2007) ("The jury's verdict will not be set aside 'if it can be sustained on any reasonable theory of the evidence.'" (quoting *Pouliot v. Fitzsimmons*, 582 N.W.2d 221, 224 (Minn. 1998))); *Stuempges*, 297 N.W.2d at 256 (explaining that review of jury verdicts is "even more limited" when credibility of witnesses is at issue).

North Star also asserts that the evidence was insufficient to prove that the requirements in the DSM were essential and reasonable or that they were uniformly enforced. But there is evidence in the record—including dealer report cards and other documents, testimony from Navistar witnesses, and the terms of the DSMs themselves—reflecting standards that Navistar used to evaluate dealer performance. There is also evidence that North Star's performance did not favorably compare to other dealers in the

Midwest or in similarly sized markets. The jury was entitled to infer from this evidence that the standards that Navistar applied to North Star were essential, necessary, and uniformly applied. North Star argues that there is no evidence that Navistar took action against a dealer for breaches similar to its own. But the statutory good-cause standard does not require such a showing. Good cause may justify a change in competitive circumstances, but it does not compel it. In other words, upon North Star's breach of an essential, reasonable, and uniformly applied provision of the DSM, Navistar would be justified in changing North Star's competitive circumstances, but it could elect not to do so. In fact, Navistar's witnesses consistently and repeatedly testified that their intent was to work with Dawson to improve performance, and they took other measures only after Dawson refused to communicate with Navistar.

Because the evidence was sufficient to support the jury's finding that Navistar had good cause to change North Star's competitive circumstances, the district court did not err by denying JMOL on Count VIII.[5]

III.

The dealerships challenge the district court's denial of injunctive relief in relation to Counts V and VI, their claims for breach of the implied covenant of good faith and fair dealing and for price discrimination in violation of HUEMDA. The implied covenant of good faith and fair dealing is breached when one party to a contract unjustifiably hinders the other party from performing. *In re Hennepin Cnty. 1986 Recycling Bond Litig.*, 540

[5] Because we affirm the denial of JMOL, we need not reach Navistar's alternative constitutional argument.

N.W.2d 494, 502 (Minn. 1995). The relevant portion of HUEMDA prohibits a manufacturer from "discriminat[ing] in the prices charged for equipment of like grade and quality sold by the equipment manufacturer to similarly situated equipment dealers." Minn. Stat. § 325E.0682(b)(3).

On the claim for breach of the implied covenant of good faith and fair dealing, the jury found breaches with respect to both the North Star and Astleford DSMs, but awarded zero damages and included a handwritten note that there was "insufficient evidence to assess an amount" of damages. The court denied damages and injunctive relief and explained that "[b]ecause [the dealerships] had an adequate remedy at law, and because an injunction is not necessary to prevent irreparable harm, [the dealerships] are not entitled to injunctive relief." The court later granted the dealerships' motion to amend the findings, to identify the conduct that breached the implied covenant. The court found that "Navistar breached the covenant of good faith and fair dealing in [the dealerships'] DSMs by resisting [the dealerships'] efforts to obtain pricing discounts for new truck sales from 2006 to 2008." The court further found:

> Gregory Hartz worked at Navistar as a sales manager between September 2006 and November 2008. When Mr. Hartz tried to get pricing discounts for [the dealerships], he experienced significant pushback from Mike McMahon, Navistar's Central Sales Administration representative for the Midwest area. Mr. McMahon did not like Scott Dawson and other employees of [the dealerships]. Mr. Hartz was "not very often" successful when requesting pricing discounts for [the dealerships] and would often have to enlist the help of his superiors to get deals done. He testified that the lack of discounts had a negative impact on [the dealerships'] truck sales.

Notwithstanding the amended findings, the district court denied injunctive relief, explaining that the offending conduct ended when McMahon transferred positions in November 2008 and that the dealerships had an adequate remedy at law, in the form of damages.

With respect to the price-discrimination claim, the jury, acting solely in an advisory capacity, found that Navistar had discriminated in the prices charged to the dealerships by holding a one-day parts special for Boyer; by refusing to authorize discounts for the dealerships; and by allowing Boyer to participate in a consignment program for used trucks. The jury found that the dealerships were damaged by the first two forms of discrimination, but not by the consignment program. In its findings, conclusions, and order for judgment, the district court rejected the jury finding of price discrimination, and denied injunctive relief because the dealerships failed to prove a substantive violation of HUEMDA, (b) had an adequate remedy at law, and (c) failed to demonstrate irreparable injury. The court granted the dealerships' motion for amended findings on this claim, adopting the jury finding on price discrimination:

> Greg Hartz testified that from September 2006 to November 2008, Navistar denied many of [the dealerships'] requests for discounts on new truck sales, which it freely gave to other International dealers in the Midwest area. By a preponderance of the evidence, [the dealerships] showed that Navistar discriminated in the prices charged for new trucks during the discount process.

As indicated, the court's denial of injunctive relief was based on the failure to demonstrate irreparable injury and the inadequacy of the remedy at law.

The dealerships challenge the district court's denial of injunctive relief on Counts V and VI, arguing that they are entitled to an injunction precluding Navistar from terminating their franchises based on their performance during the period when the court found that there was price discrimination.

"The granting of an injunction generally rests within the sound discretion of the [district] court, and its action will not be disturbed on appeal unless, based upon the whole record, it appears that there has been an abuse of such discretion." *Cherne Indus., Inc. v. Grounds & Assocs., Inc.*, 278 N.W.2d 81, 91 (Minn. 1979); *see also Hideaway, Inc. v. Gambit Invs. Inc*., 386 N.W.2d 822, 824 (Minn. App. 1986) (stating that "it is well established that the [district] court has discretion to grant or deny an injunction"). "The party seeking the injunction must establish that his legal remedy is not adequate, and that the injunction is necessary to prevent great and irreparable injury." *Cherne Indus.*, 278 N.W.2d at 92 (citation omitted). "Injunctive relief should be awarded only in clear cases reasonably free from doubt and when necessary to prevent great and irreparable harm." *Sullivan v. Eginton,* 406 N.W.2d 599, 602 (Minn. App.1987). This "court will not set aside a district court's findings regarding entitlement to injunctive relief unless they are clearly erroneous." *Williams v. Nat'l Football League*, 794 N.W.2d 391, 395 (Minn. App. 2011) (quotation omitted), *review denied* (Minn. Apr. 27, 2011).

The district court denied injunctive relief based on its finding that Navistar was no longer engaging in discriminatory pricing practices and its resulting conclusion that the dealerships had an adequate legal remedy in the form of damages and could not demonstrate irreparable harm. The dealerships argue that their legal remedy is

inadequate because their damages cannot be quantified and that they will suffer irreparable injury if Navistar terminates their franchises based on their performance during the period of price discrimination. We agree with the district court that, without an attempt to terminate, the dealerships have not shown an irreparable injury and that the dealerships had an adequate legal remedy for price discrimination in the form of damages, despite the difficulty in discerning (and the dealerships' failure to prove) their amount. Accordingly, we affirm the district court's denial of injunctive relief on Counts V and VI. *See, e.g., Hideaway*, 386 N.W.2d at 824 (affirming district court's denial of injunction when appellant failed to demonstrate irreparable harm or lack of adequate legal remedy).[6]

IV.

The dealerships challenge the denial of a new trial on Count VII, their claim that Navistar violated the MVSDA by establishing a new dealership without notice in violation of Minn. Stat. § 80E.14, on the basis of misleading jury instructions. This court reviews the district court's denial of a motion for a new trial for abuse of discretion. *See Lake Superior Ctr. Auth. v. Hammel, Green & Abrahamson, Inc.*, 715 N.W.2d 458, 476-77 (Minn. App. 2006).

Section 80E.14 requires a manufacturer to give notice to a dealer if it "seeks to enter into a franchise establishing an additional new motor vehicle dealership" within ten miles of the dealer's location. Minn. Stat. § 80E.14, subd. 1. The statute further provides

[6] Because we affirm the denial of injunctive relief on the grounds relied upon by the district court, we need not reach Navistar's argument that the evidence was insufficient to prove price discrimination.

that "[a] manufacturer's establishment or approval of an additional new motor vehicle sales, service, or parts location by its line make dealer is considered the establishment of a new motor vehicle dealership subject to the requirements of this section." *Id.* The dealerships' theory on this claim was that Navistar had approved Boyer's establishment of additional locations at its Lauderdale and Savage dealerships and at a parts distribution center, all located within ten miles of North Star or Astleford. The dealerships assert that the jury instructions did not adequately inform the jury that Navistar's approval of a new location could provide a basis for liability. Navistar asserts that the dealerships failed to properly preserve this objection to the jury instructions. We agree.

A party who objects to a jury instruction must "do so on the record, stating distinctly the matter objected to and the grounds for the objection." Minn. R. Civ. P. 51.03(a). The failure to comply with this requirement waives the objection, although this court may still review for plain error affecting substantial rights. Minn. R. Civ. P. 51.04.

The parties had a discussion about the instructions for Count VII during an instruction conference with the court. The conversation began when Navistar's counsel objected that the language in the jury instruction for Count VII did not track the language of the statute. Navistar's counsel pointed out that a portion of the draft instructions addressing the applicable law provided that a manufacturer could not (without proper notice) "seek to establish an additional new motor vehicle dealership within an existing new motor vehicle dealership's relevant market area" and that the statute actually precludes a manufacturer from (without proper notice) "seek[ing] to enter into a franchise with another dealer." The district court agreed that the instruction should track the

language of the statute and observed that the draft under discussion was based on language submitted by both counsel, on which the court believed counsel had agreed. Counsel for the dealerships responded:

> I think what both parties recognize in providing this language is that we effectively shortcut the process. Because while the language that [Navistar's counsel] cites is certainly in the statute, then there is follow-up language that says the manufacturer's either establishment or approval of a new parts location, new truck sales location, et cetera, is considered the establishment of a dealership under this. In other words, while it initially starts entering into a franchise for a new one, then it has another section saying, no, even establishing a new location or approving a new location for an existing dealer falls within the statute. So this language basically shortcuts that process and gets you down to where you're going to be. The real question is whether it's establishing it for an existing dealer.

The court decided to change the language to more closely track the statutory language, cautioned that the revised language could affect the language of the special-verdict as well, and asked the parties to "pay particular attention all the way through on Count VII."

Although the dealerships' counsel argued for different and briefer language in the instruction for Count VII, counsel did not make a record of any objection that the instruction would misstate the law or confuse the jury. During the above-referenced discussion, the dealerships did not object to the elements of the claim to be summarized in the instruction, and the dealership's counsel has not cited to any other part of the record memorializing an objection to the instructions on Count VII. Importantly, it is clear from the record that the district court did not understand that the dealerships were objecting on grounds that the proposed instruction would add a written-agreement

requirement not imposed by the statute. Under these circumstances, we conclude that the dealerships waived their objection to the jury instructions.

V.

North Star challenges the denial of a new trial on Count II, its claim that Navistar unlawfully "charged back" $67,313 in warranty payments. This claim implicates Minn. Stat. § 80E.04, which governs a manufacturer's warranty obligations to its dealers. Among other things, section 80E.04 provides that a manufacturer must specify in writing a dealer's obligation to provide warranty services and must compensate the dealer for those services. Minn. Stat. § 80E.04, subd. 1. Section 80E.04, subdivision 4, sets forth time periods within which warranty claims must be approved or denied and, if approved, paid, "provided, however, that the manufacturer retains the right to audit the claims for a period of one year and to charge back any amounts paid on claims not reasonably substantiated or fraudulent claims." *Id.*, subd. 4. North Star argues that, pursuant to the quoted language, Navistar should have borne the burden to demonstrate that North Star's warranty claims were not reasonably substantiated or were fraudulent claims.

"In this state the burden of proof generally rests on the one who seeks to show he is entitled to the benefits of a statutory provision." *In re Application of White Bear Lake*, 311 Minn. 146, 150, 247 N.W.2d 901, 904 (1976); *see also Sampair v. Vill. of Birchwood*, 784 N.W.2d 65, 74 (Minn. 2010) (recognizing "general rule that a party who stands to benefit from proving the affirmative of a proposition of fact . . . bears the burden of proof as to that proposition"). North Star sought to recover warranty payments, and it had the burden to establish that it is entitled to the benefits of the statute.

Accordingly, we conclude that the district court properly put the burden of proof on North Star to prove that its warranty claims were reasonably substantiated and not fraudulent.

North Star cites two cases in which the Minnesota Supreme Court shifted the burden of proof to a party seeking to meet an exception to a statute. *See Sampair*, 784 N.W.2d at 74 (holding that easement-holders have burden to prove possession exception to presumption of abandonment created by marketable title act); *State Farm Fire & Cas. v. Aquila Inc.*, 718 N.W.2d 879, 886 (Minn. 2006) (holding that burden of proving exception to statute of repose "lies with the parties who seek to claim the benefit of the exception"). These cases are inapposite. They deal with exceptions to presumptions in the real-property context. The language in Minn. Stat. § 80E.14, subd. 4, does not, as the district court recognized, create a comparable statutory presumption with exceptions on which the burden of proof might be shifted. Rather, under the statute, North Star is not entitled to recover on warranty claims that are unsubstantiated or fraudulent. Thus, as part of proving its entitlement to recovery under section 80E.14, North Star was required to substantiate and prove the validity of its warranty claims. Accordingly, the district court did not err by denying a new trial on Count II.

Affirmed.