

*This opinion is nonprecedential except as provided by  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

**STATE OF MINNESOTA  
IN COURT OF APPEALS  
A21-0531**

TC Investment Group, LLC,  
Appellant,

vs.

Christine King,  
as the Personal Representative of the Estate of Mary Constance Aguirre,  
Respondent.

**Filed November 8, 2021  
Affirmed  
Reyes, Judge**

Ramsey County District Court  
File No. 62-CV-20-4110

Pauletta M. Claire, Burnsville, Minnesota (for appellant)

Gregory P. Seamon, Oakdale, Minnesota (for respondent)

Considered and decided by Florey, Presiding Judge; Connolly, Judge; and Reyes,  
Judge.

**NONPRECEDENTIAL OPINION**

**REYES, Judge**

In this appeal from the district court's order granting title of a disputed property to respondent, appellant argues that (1) the district court erred by invalidating the first conveyance of the property for lack of consideration; (2) the notice of lis pendens on the property was invalid; and (3) the district court erred by determining that its prior decision

bound appellant's claims under the doctrines of res judicata and collateral estoppel. Because we conclude that the first conveyance of the property lacked consideration, we affirm.

## **FACTS**

This appeal involves the ownership of the real property at Cook Avenue East in St. Paul (the property). Mary Aguirre (decedent) owned the property for several decades. In early 2018, decedent suffered a heart attack and was bedridden for the remainder of her life. Around the time of decedent's heart attack, decedent's son-in-law Tyrone Crawford (son-in-law) offered to purchase the property for \$65,000. Respondent Christine King, acting on decedent's behalf, declined the offer, stating that an appraisal was necessary to ensure decedent received a fair purchase price. The property appraised for \$115,000.

In September 2018, son-in-law, along with two of decedent's grandchildren, formed appellant TC Investment Group, LLC, with the sole purpose of purchasing the property. A few days later, decedent and her grandson, Taqee Abdul-Hakim (grandson), executed a contract for deed for the sale of the property with a purchase price of \$65,000. Three days later, decedent executed a warranty deed in fulfillment. The parties agree that grandson did not pay decedent for the property.

Decedent died ten days after executing the warranty deed.

Decedent's estate entered probate in April 2019. Just before the first probate hearing, the attorney for the estate learned of the contract for deed between decedent and grandson. The attorney stated during the hearing that the estate would challenge the

contract. At the recommendation of the probate referee, the estate filed a notice of lis pendens on the property on August 7, 2019.

On September 5, 2019, grandson executed a warranty deed conveying the property to TC Investment. TC Investment did not pay grandson for the property. One month later, grandson petitioned to discharge the notice of lis pendens, improperly claiming a current interest in the property. In response, King petitioned to cancel the contract for deed, designate the property as part of the estate, and deny the discharge of the notice of lis pendens.

In January 2020, King, acting as the personal representative for decedent's estate, filed her first quiet title complaint in district court. King served only grandson with the complaint, and TC Investment did not participate in the proceeding. In his response to the complaint, grandson again improperly claimed to have a current interest in the property. Upon King's motion, the district court granted summary judgment for King, ordered the contract for deed cancelled, and granted title to the property to decedent's estate. No party appealed the district court's summary judgment, and the property sold in a sheriff's sale on March 3, 2020.

In July 2020, TC Investment filed a quiet title complaint against King. After a court trial, the district court determined that decedent's estate was entitled to the property. In so deciding, the district court applied both res judicata and collateral estoppel to TC Investment's claims because grandson and TC Investment were in privity. As such, the district court determined that its prior summary judgment cancelling the contract for deed between decedent and grandson bound TC Investment as well. The district court further

determined that, in any event, the deed in fulfillment between decedent and grandson to be invalid for lack of consideration. This appeal follows.

## DECISION

TC Investment first argues that the district court erred by determining that the deed in fulfillment purporting to transfer the property from decedent to grandson was invalid for lack of consideration. TC Investment argues that deeds do not need consideration to be valid. We disagree.

Although the existence and terms of a contract are questions of fact, *Morrisette v. Harrison Int'l Corp.*, 486 N.W.2d 424, 427 (Minn. 1992), whether consideration is necessary when conveying property through a warranty deed is a question of law subject to de novo review, *see In re Estate of Barg*, 752 N.W.2d 52, 63 (Minn. 2008).

TC Investment argues that in *Brandes v. Hastings* the supreme court held that deeds are valid conveyances without consideration. 203 N.W. 430, 431 (Minn. 1925). However, subsequent caselaw interpreting *Brandes* limits its holding. For example, in *Lidstrom v. Mundahl*, the supreme court held that no consideration is necessary to support a *quitclaim* deed and that, if there is no consideration, then the quitclaim deed operates like a gift and “constitutes a valid conveyance.” 246 N.W.2d 16, 18 (Minn. 1976). Because the deed here is a warranty deed, *Lidstrom* and, consequently, *Brandes* do not apply. Instead, we conclude that the contract for deed, like any contract, required consideration. *See Franklin v. Carpenter*, 244 N.W.2d 492, 495 (Minn. 1976) (stating that valid contracts require consideration). Neither party disputes that decedent and grandson signed a contract for

deed and that grandson did not pay any of the \$65,000 contracted sale price. Because no consideration supported the contract for deed, it was invalid.

TC Investment cites non-Minnesota caselaw to support its argument. But because Minnesota law resolves this issue, those cases are unpersuasive. *See Swanson v. Swanson*, 856 N.W.2d 705, 708 (Minn. App. 2014) (stating that we may rely on persuasive caselaw when issue is one of first impression).

TC Investment next argues that it does not matter whether the contract for deed was valid because, upon delivery of the deed in fulfillment to grandson, the merger doctrine nullified the contract for deed between decedent and grandson. Generally, when a deed is executed and accepted “in performance of executory contracts to convey,” the contract for deed merges with the deed itself, and in the future “the rights of the parties are to be determined by the deeds, and not by the contracts.” *Bruggeman v. Jerry’s Enterprises, Inc.*, 591 N.W.2d 705, 708 (Minn. 1999) (quotation omitted).

But the merger doctrine does not apply when a contract for deed includes conditions subsequent that cannot be completed before delivery of the deed. As the supreme court stated in *Bruggeman*, “there is no reason to presume that a party has waived its right to performance of a contractual obligation that cannot be performed until sometime after the closing simply by accepting a deed that does not contain a reference to that prior agreement.” *Id.* at 710. Here, like in *Bruggeman*, there are conditions in the contract for deed that could not be performed until after grandson received the deed in fulfillment. Consequently, the merger doctrine does not apply here.

Because TC Investment concedes, and we agree, that the lack of consideration is dispositive, we need not address the other two issues of the notice of lis pendens and the res judicata and collateral estoppel bars raised on appeal.

**Affirmed.**