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Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A22-1706**

David Carl Hepfl,
Respondent,

vs.

Jodine Patrice Meadowcroft,
Appellant.

**Filed August 21, 2023
Affirmed
Ross, Judge**

Waseca County District Court
File No. 81-CV-20-801

Perry A. Berg, Patton, Hoversten & Berg, P.A., Waseca, Minnesota (for respondent)

Jacob M. Birkholz, Michelle K. Olsen, Birkholz & Associates, LLC, Mankato, Minnesota
(for appellant)

Considered and decided by Reyes, Presiding Judge; Ross, Judge; and Bjorkman,
Judge.

NONPRECEDENTIAL OPINION

ROSS, Judge

Jodine Meadowcroft and David Hepfl twice married each other and twice divorced each other before reuniting, building and furnishing properties together, and again separating. Hepfl sued Meadowcroft for unjust enrichment based on his having paid to build and furnish a cabin on Meadowcroft's lakefront property and having made the down

payment on and furnished the parties' dual-purpose residence and bed-and-breakfast. The district court ordered Meadowcroft to reimburse Hepfl for his expenditures. We affirm because the district court acted within its equitable discretion.

FACTS

This dispute concerns money spent during the latest leg of the on-and-off romantic relationship between appellant Jodine Meadowcroft and respondent David Hepfl. They twice wed and twice divorced, and they rekindled their relationship in 2016. The most recent segment lasted about four years, until October 2020. The following factual account resulted from litigation that Hepfl commenced soon after the relationship ended.

During the 2016–2020 romance, the parties were involved in two real-estate projects that lie at the center of this dispute: a cabin on Norcross Lake in Becker County (the Norcross property) and a residence in Waseca. Hepfl had purchased an unimproved lakefront parcel on Norcross Lake during the parties' first marriage, and Meadowcroft was awarded that parcel during their first divorce and re-awarded it during their second divorce. After Hepfl and Meadowcroft reunited in 2016, they engaged a contractor to build a cabin at the Norcross property. Hepfl paid the entire construction and improvements cost of \$56,633. He also paid \$8,344.40 for a dock, \$1,200 for an outhouse, and \$15,350 for furniture. Hepfl asked Meadowcroft to devise the cabin to him in her will, but she declined. He testified that she told him he could nevertheless use the property as if it were his own:

Q: So if you're divorced, why are you getting together with her and discussing building a cabin on her property?

A: We had talked and we had said come thick or thin we are going to make this happen, and I believed her that we would go the distance. That when we were at that property she said

that she wanted me to enjoy this property and treat it as my own, as our property, and I did, and I did.

....

Q: When did Ms. Meadowcroft say that it was a joint property to you?

A: She said treat it as your own on numerous occasions.

Meadowcroft kept all the furnishings that Hepfl purchased for the cabin, and she exclusively possesses the cabin.

Hepfl and Meadowcroft jointly purchased the Waseca house during the same post-2016 segment of their relationship. Meadowcroft contributed the earnest-money payment of \$1,000. Hepfl otherwise covered the costs. He paid \$45,045.98 to cover the down payment, closing costs, and other fees. They moved into the house and began operating a bed-and-breakfast in it. Hepfl intended the bed-and-breakfast income to supplement his retirement income and support Meadowcroft if he predeceased her. Hepfl executed the documents to establish the business as Pine Gardens LLC, but he listed Meadowcroft as its sole owner. Hepfl paid \$40,889.84 to furnish the house with antiques and other household items, and he added some of his personal furniture and decor items. Tax filings completed on behalf of Pine Gardens listed most of this personal property as belonging to Pine Gardens. Hepfl paid the mortgage on the house until the October 2020 breakup, when Meadowcroft began making the mortgage payments. The parties executed no written agreement delineating their interests in any of the personal or real property or in the value of funds expended regarding it.

Meadowcroft successfully petitioned the district court to issue an order for protection against Hepfl when the relationship ended, and Hepfl sued Meadowcroft for

breach of contract and unjust enrichment. The district court conducted a bench trial in April 2022 and concluded that Hepfl is entitled to damages for unjust enrichment. It ordered Meadowcroft to reimburse Hepfl \$56,633 for cabin construction and other improvements on the Norcross property. It also ordered her either to reimburse Hepfl or allow him to remove personal property related to the Norcross property, as follows: \$8,344.40 for the dock system; \$1,200 for the outhouse; and a reduced \$9,750 award for furniture, appliances, and decor. Regarding the Waseca home, the court ordered Meadowcroft similarly to pay Hepfl \$40,889.84 or allow him to remove the personal property he purchased. It ordered that when the Waseca property is sold, \$45,045.98 must be allocated from the sale proceeds to reimburse Hepfl and \$1,000 to reimburse Meadowcroft for their respective contributions toward the purchase, with any additional equity equally divided between them. Meadowcroft appeals.

DECISION

Meadowcroft asserts that the district court erroneously decided that she was unjustly enriched by Hepfl's contributions to the Norcross property, by Hepfl's down payment on the Waseca home, and by Hepfl's furniture purchases for the bed-and-breakfast. She also contends that the district court erroneously awarded Hepfl his out-of-pocket damages and failed to credit her contribution for her mortgage payments on the Waseca home. None of Meadowcroft's arguments prevails.

I

Meadowcroft challenges the district court's conclusion that she was unjustly enriched by Hepfl's contributions to the Norcross property. Unjust enrichment is an

equitable remedy, *Southtown Plumbing, Inc. v. Har-Ned Lumber Co.*, 493 N.W.2d 137, 140 (Minn. App. 1992), and we review a district court's order granting equitable relief for an abuse of discretion, *see Nadeau v. Ramsey County*, 277 N.W.2d 520, 524 (Minn. 1979). The district court did not abuse its discretion.

The record supports the district court's determination that Meadowcroft was unjustly enriched. To prove that Meadowcroft was unjustly enriched by his contributions, Hepfl had to establish that a benefit was conferred on Meadowcroft, that she appreciated and accepted the benefit, and that her retaining the benefit was unjust. *See Schumacher v. Schumacher*, 627 N.W.2d 725, 729 (Minn. App. 2001). Someone receiving a benefit does so unjustly when she acts illegally or in a way that is morally wrong. *Id.* Morally wrong conduct can include conduct that induces an unconscionable result. *Park-Lake Car Wash, Inc. v. Springer*, 394 N.W.2d 505, 514 (Minn. App. 1986). The record adequately evidences Meadowcroft's inducing Hepfl to expend funds to improve the property. Hepfl testified that he improved the Norcross property after Meadowcroft told him that he could use the property as his own. Although the district court did not expressly refer to Meadowcroft's inducement as the basis for its unjust-enrichment decision, the district court implicitly credited Hepfl's testimony:

[Hepfl] testified he agreed to build the cabin on the Norcross property because he believed he and [Meadowcroft] would remain together in the future and [Meadowcroft] told him to use the Norcross property as if it were his property. [Hepfl] asked [Meadowcroft] to sign a Will leaving the cabin property to him but ultimately [Meadowcroft] did not sign a Will.

Meadowcroft does not dispute that she made this representation to Hepfl. And the record does not suggest that she conditioned her representation on the parties' romantic relationship enduring. We are satisfied that Meadowcroft's inducement supports the district court's discretionary decision to deny Meadowcroft an inequitable windfall.

We are not persuaded otherwise by Meadowcroft's argument that her refusal to leave the Norcross property to Hepfl in her will should have informed him that he had no ownership interest. It is true that this refusal would likely foreclose a finding that Hepfl reasonably believed that she had promised him an ownership interest. But it does not foreclose a finding that he reasonably believed that Meadowcroft had promised him a lifelong possessory interest.

II

Meadowcroft frames her challenge to the order relating to the Waseca home as a challenge to a holding that she was unjustly enriched by Hepfl's contribution to the home through his down payment. Although the district court addressed the issue within the section of its order discussing unjust enrichment, we do not read this component of the district court's order as holding that Meadowcroft was unjustly enriched. We instead understand the order to be dividing the property as an asset jointly owned by the parties based on their different contributions. The district court reasoned, "[T]he Court finds it fair and equitable for [Hepfl] to be awarded \$45,045.98 and [Meadowcroft] to be awarded \$1,000 of the home sale proceeds before the parties equally share any remaining equity in the Waseca property." It did not apply the doctrine of unjust enrichment as the basis for

this determination. Because the district court was not applying the doctrine of unjust enrichment, we of course cannot analyze whether it was applying the doctrine improperly.

Meadowcroft argues that an equitable remedy was inapt because Hepfl had an adequate legal remedy to resolve the Waseca home issues—namely, partition. Meadowcroft’s argument is not properly before us because she raises it for the first time on appeal. *See Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn. 1988). And we add that any claim to the down payment that Hepfl would have had in a partition action would also likely be equitable in nature because the parties undisputedly had no contract for the division of their shared assets. We hold that the district court acted within its discretion when it determined how to divide the proceeds from the eventual sale of the Waseca property.

III

Meadowcroft contends that the district court abused its discretion by holding that she is liable under an unjust-enrichment theory regarding Hepfl’s purchases of personal property for the bed-and-breakfast business because Pine Gardens, not she, owns the business and its property. The argument fails. Regardless of whether Meadowcroft or Pine Gardens owned the personal property, the property benefited Meadowcroft as sole owner of Pine Gardens. Meadowcroft does not argue that a benefit must be directly rather than indirectly received to support an unjust-enrichment remedy. Nor does she develop any argument challenging the district court’s holding that any benefit she received was unjust.

IV

Meadowcroft contends that the district court misapplied the law by awarding Hepfl his out-of-pocket expenses instead of awarding him the amount of the benefit Meadowcroft received. We review the proper measure of damages *de novo* and the district court's award for an abuse of discretion. *Herlache v. Rucks*, 990 N.W.2d 443, 449–50 (Minn. 2023). The measure of unjust-enrichment relief centers on what the person enriched has received rather than what the opposing party has lost. *Georgopolis v. George*, 54 N.W.2d 137, 142 (Minn. 1952). This may require proof that the property held by the person enriched increased in value. *Marking v. Marking*, 366 N.W.2d 386, 387 (Minn. App. 1985). But money given by one party to or on behalf of the other can also approximate the enriched person's gain, obviating the need to further prove the increased property value. *See Herlache*, 990 N.W.2d at 450. Hepfl's out-of-pocket expenses appropriately indicated damages.

V

Meadowcroft also contends that the district court failed to credit her for her contributions to the Waseca home's mortgage after Hepfl left the home. The contention ignores Hepfl's contributions to the mortgage before then. The district court found that “[Hepfl] paid the mortgage payments on the Waseca home from the date of purchase in March 2019 to October 2020. [Meadowcroft] has paid the mortgage payments on the Waseca home since November 2020.” Meadowcroft offers no analysis or authority to support her contention. Arguments not supported by argument or authority are forfeited.

Scheffler v. City of Anoka, 890 N.W.2d 437, 451 (Minn. App. 2017), *rev. denied* (Minn. Apr. 26, 2017). We therefore decline to consider the conclusory assertion further.

Affirmed.