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**STATE OF MINNESOTA
IN COURT OF APPEALS
A09-2353**

In re the Marriage of:
Kari Jo Soeffker, petitioner,
Respondent,

vs.

Jay Adrian Soeffker,
Appellant.

**Filed April 12, 2011
Affirmed in part, reversed in part, and remanded
Halbrooks, Judge**

Ramsey County District Court
File No. 62-F6-07-000558

Zachary A. Kretchmer, John M. Jerabek, Niemi, Jerabek & Kretchmer, P.A.,
Minneapolis, Minnesota (for respondent)

John R. Schulz, Christine L. Mennen, McGrann Shea Carnival Straughn & Lamb, Chtd.,
Minneapolis, Minnesota (for appellant)

Considered and decided by Shumaker, Presiding Judge; Halbrooks, Judge; and
Schellhas, Judge.

UNPUBLISHED OPINION

HALBROOKS, Judge

Appellant challenges the district court's dissolution order, arguing that several of
the district court's findings of fact and conclusions of law related to the division of

marital and nonmarital property are erroneous. Because we conclude that the district court erred in its treatment of one of appellant's claimed nonmarital interests, we reverse in part and remand. We affirm the remainder of the district court's order.

FACTS

Appellant Jay A. Soeffker and respondent Kari J. Soeffker were married in August 1991. Respondent petitioned for dissolution in 2006, but the case subsequently became inactive. Respondent brought a second petition for dissolution in April 2007. In an order filed June 27, 2007, respondent was given temporary and exclusive use of the marital homestead (the Bates property) and was ordered to be solely responsible for the Bates property mortgage payments as of the date that appellant moved out of the home. While the parties initially disputed custody of their minor child, R.S., they stipulated to joint legal and physical custody in November 2007.

The parties attended mediation in May 2008. Following mediation, appellant asserted that the parties had reached an agreement regarding the property division, but that respondent had subsequently repudiated that agreement. Appellant moved for an order enforcing the mediated agreement and for an award of attorney fees. Respondent opposed the motion, arguing that the mediation "ended with a proposal, not an agreement." In a subsequent order, the district court denied appellant's motion, concluding that the circumstances following mediation did not indicate the existence of an agreement. The district court further concluded that appellant had submitted documentation that "breach[ed] the requirements of mediation confidentiality," and that he was therefore not entitled to conduct-based attorney fees. Appellant requested

reconsideration, but in the midst of a recusal and judicial reassignment, the district court never ruled on the motion.

In April 2009, appellant moved for an order requiring respondent to contribute toward the monthly mortgage payments for the parties' two St. Paul rental properties, Iglehart and Dayton. Appellant alleged in his affidavit that he had borrowed \$5,000 from his parents in order to make the mortgage payments and continue maintaining the properties. Appellant stated that, without respondent's contribution, the properties risked going into foreclosure. In a subsequent order, the district court temporarily ordered respondent and appellant to "each be responsible for one-half of the collective mortgage payments for the homestead and the two rental properties." The rental income from Iglehart and Dayton was to be used to pay "customary and normal expenses related to the properties." The parties went to trial in June 2009 in order to determine the division of property.

Appellant is a licensed real estate agent working in St. Paul. Due to the recent economic downturn, appellant supplements his income by working as a limousine chauffeur and driving a taxicab. Respondent has been employed by the St. Paul public school system for 17 years. She currently works as an educational assistant in a before-and-after-school program near the Bates property. Respondent testified that she operated a summer daycare in her home in the summer of 2007, and although she did not offer daycare in the summer of 2008, she wished to offer those services in the future.

The Bates Property

The most contentious issue between the parties was the valuation and award of the Bates property in Dayton's Bluff in East St. Paul. Appellant testified that he purchased a home on Charles Avenue in St. Paul in June 1990 and the parties agree this was nonmarital property. Respondent moved into the Charles Avenue home after the parties married in 1991. The parties purchased the Bates property in 1996 for \$113,777. Appellant testified that he intended to use the sale proceeds from Charles Avenue to make the \$24,000 down payment on the Bates property but the closing on the Bates property occurred two months before the closing on Charles Avenue. Respondent testified that the money for the Bates property down payment came from the couple's savings account. Both parties testified that the proceeds from the Charles Avenue sale replenished a joint account. Based on the intent to use the proceeds from the sale of the Charles Avenue home to buy the Bates property, appellant claimed a nonmarital interest in the Bates property.

After the couple purchased the Bates property, they began making substantial improvements to it. They added a three-car garage, a new driveway, a new roof, and a picket fence. They also refinished the basement, extended the brick patio, put up copper gutters, added a garden, and engaged in other small projects around the home. Appellant testified that he and his parents did the majority of the work on these projects, and respondent stated that she assisted with the projects and helped by taking care of their child, cleaning the home, and providing meals. Respondent testified that her family and the couple's friends also helped; appellant's parents confirmed this testimony.

Both parties testified to their significant involvement in the Dayton's Bluff neighborhood. Respondent stated that she was involved in a block club and a garden tour as well as other programs designed to improve the quality of the neighborhood. She further testified that she wanted the Bates property because she worked in the neighborhood and because she wanted to operate a summer daycare out of the home. Appellant testified that he was involved in various neighborhood organizations, including the local community district. He stated that he wanted the Bates property because he could not qualify for a mortgage on a new home and because he wanted to continue working on the Bates property with his father.

Both parties hired experts to testify regarding the value of the Bates property. Respondent's expert, William Peterson, prepared an appraisal of the Bates property in February 2008. Peterson personally inspected the property and performed a "direct sales comparison" analysis in arriving at his value. Peterson's appraisal relied on four similar properties, or "comparable sales," in the market. Peterson testified that the market in East St. Paul had been "pretty bad" and that the homes had suffered a loss in value over the last couple of years. Respondent asked Peterson to do an update of the appraisal in 2009, but he testified that he "did not see any pertinent sales or at least enough to redo a full appraisal." Instead, he wrote a follow-up letter that included a brief analysis of a home currently on the market in Dayton's Bluff. According to the 2009 letter, Peterson maintained that his earlier appraisal accurately reflected the current value of Bates: \$295,000. Peterson testified that the Bates property is a unique property and that there would be a substantial demand for the home at that price.

Appellant's appraiser, Kenneth Jacobson, conducted two appraisals of the Bates property—one in 2008 and one in 2009. Jacobson testified that he conducted his appraisal in a similar manner to Peterson—he inspected the home, visited the neighborhood, researched the market, and analyzed comparable sales. According to Jacobson, within his defined market, the average sale price of area properties declined 11% from 2006 to 2007, 31.5% from 2007 to 2008, and 33.6% from 2008 to 2009. These percentages included all of the sales from the market, including outlier sales. Jacobson found four comparable properties, including one condemned property, and re-adjusted those properties for his 2009 appraisal. Jacobson's 2009 appraisal concluded that the market value of the Bates property was \$167,000—a significant decrease from his 2008 appraisal value of \$232,000.

Rental Properties

The parties disagreed as to the award and value of their two rental properties in St. Paul. Appellant purchased a duplex on Dayton Avenue in the summer of 2000 with a business associate, Don Frable. The down payment, closing costs, and other expenses were allocated 50% to Frable and 50% to appellant/respondent. Frable and appellant ran the business together, with respondent having limited-to-no involvement. One year later, Frable and appellant purchased a fourplex on Iglehart Avenue, and the costs were split similarly.

According to appellant, he attempted unsuccessfully to sell the two rental properties in 2006. He also testified that he had been unable to maintain full occupancy

in the rental properties and that he moved into one of the Iglehart units in 2007 after the district court ordered him to move out of the Bates property.¹

Appellant stated that because the rental income from the properties and his own personal income did not cover his monthly living expenses, he was forced to borrow money from his parents. According to appellant, the two rental properties collectively were \$20,000 “under water” and selling the properties was not a feasible option in the current market. Appellant proposed that one party quitclaim the properties to the other party so that the other party could divest him or herself of the interest and also proposed that the district court award the properties without assigning them a value. Respondent requested that the district court award appellant the properties or order that the properties be sold.

Savings Bonds

The parties disputed the character of various savings bonds that respondent received from her grandparents during the marriage. Respondent received five savings bonds before the marriage that were valued at \$49,594 in July 2007. During the marriage, she received one in 1994 (valued at \$4,354) and five in 2006 (valued at \$13,183). Overall, respondent has nearly \$70,000 in savings bonds. Respondent testified that her grandparents told her to save the bonds or use them for land. All of the bonds at issue are in respondent’s or her grandparents’ name.

¹ Appellant asserts that he was ordered to evict a tenant of the Iglehart property and move into that unit. We see nothing in the record to support this assertion.

Property Division

The district court issued its order on November 3, 2009. In its findings, the district court summarized the parties' experts' appraisals, but did not make an explicit finding as to the Bates property value. But the district court concluded that it was "fair and equitable" to award the property to respondent because she was willing to have her expert's higher appraisal of \$295,000 credited against her in the division of the marital property. The district court stated that appellant would "receive a marital property equalizer of approximately \$64,500 *more* than if the home were valued at [appellant]'s appraised amount of \$166,000 ($\$295,000 - \$166,000 = \$129,000$; $\$129,000 / 2 = \$64,500$)." The district court further stated that even if respondent had agreed with appellant's proposed value of the Bates property, it would have awarded her the Bates property based on her status in the community, her work revitalizing the neighborhood, her leadership on the block council, the fact that the home serves as a gathering spot for neighbors, the close proximity of her employment, and the fact that she wished to operate a summer daycare facility in the home.

Regarding appellant's claim of a nonmarital interest in the Bates property, the district court found that appellant failed to meet his burden to establish his interest by a preponderance of the evidence. The district court concluded that the down payment on the Bates property was paid with money from the couple's joint account, which constituted marital property. The district court also concluded that the proceeds from the sale of the Charles Avenue property were deposited in that account, but were commingled with marital funds and "have since been expended in undetermined ways."

The district court rejected appellant's claim of "sweat equity" in the Bates property, finding that appellant failed to overcome the presumption that "[a]ll property acquired by either spouse subsequent to the marriage and before the valuation date is presumed to be marital property." The district court noted that both parties expended significant time and energy in improving the property, and the work done by appellant and his parents was "for the family." Therefore, the district court found no basis to award a larger interest in the Bates property to appellant. The district court did award respondent a credit in the amount of \$11,909.24, which represented the amount of mortgage payments respondent made toward the Bates property after she was ordered to be solely responsible for the Bates mortgage in June 2007. After subtracting this amount and the remaining encumbrance on the Bates property of \$910.54, the district court found that the marital value of the Bates property was \$282,180.22.

With respect to the rental properties, the district court found that the combined cost of the mortgages was \$3,471 per month and that the properties generated monthly income of \$3,575, resulting in a monthly surplus of \$104. The district court awarded both rental properties to appellant but rejected appellant's request to award the properties without assigning a value. Instead, the district court considered the market analyses that were in evidence and assigned each property a value based on the estimated selling price of the properties listed in appellant's 2009 market analysis. After subtracting the outstanding encumbrances, the district court concluded that the properties had a marital value of \$22,852. Respondent was given a credit of \$3,575 based on her share of the rental income for May and June 2009.

The district court concluded that the savings bonds were respondent's nonmarital property. In addition, the district court awarded each party the vehicles currently in their possession and assigned value to those vehicles when calculating the marital-equalization payment. Finally, the district court concluded that it was fair and equitable to require each party to pay their respective attorney fees. This appeal follows.

D E C I S I O N

In an ordinary civil case when there is no motion for a new trial or amended findings, the scope of review on appeal is limited to whether the evidence supports the district court's findings of fact and whether those findings support the conclusions of law. *Brink v. Brink*, 396 N.W.2d 95, 97 (Minn. App. 1986). A finding of fact will not be disturbed unless it is clearly erroneous "either because it is without substantial evidentiary support or because it was induced by an erroneous view of the law." *Id.*

I.

Appellant argues that the district court abused its discretion by awarding respondent the Bates property and in its ultimate valuation of the property.

A. Award of the Bates property

A district court has broad discretion in evaluating and dividing property in a marital dissolution. *Antone v. Antone*, 645 N.W.2d 96, 100 (Minn. 2002). This court will affirm a division of property "if it had an acceptable basis in fact and principle even though we might have taken a different approach." *Id.* A district court abuses its discretion if its conclusions are "against logic and the facts on [the] record." *Rutten v. Rutten*, 347 N.W.2d 47, 50 (Minn. 1984). Appellant argues that the district court abused

its discretion by failing to consider all of the statutory factors. In particular, appellant argues that the evidence of his work improving the Bates property and his lack of financial resources support awarding him the Bates property.

In a dissolution proceeding, Minn. Stat. § 518.58, subd. 1 (2010), requires the district court to “make[] findings regarding the division of property” and to base these findings on “all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party.” The district court should also “consider the contribution of each in the acquisition, preservation, depreciation or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker.” Minn. Stat. § 518.58, subd. 1. The district court is then required to make a just and equitable division of the marital property. *Id.* Detailed findings are not necessary, but the findings must demonstrate consideration of the relevant statutory factors, express a rationale for the chosen division of assets, and allow for effective appellate review. *Dick v. Dick*, 438 N.W.2d 435, 437 (Minn. App. 1989); *Vinnes v. Vinnes*, 384 N.W.2d 589, 592 (Minn. App. 1986).

The fact that the district court rejected appellant’s evidence in favor of respondent’s evidence is no basis for a reversal. We will affirm a property division even if we would have taken a different approach, *Antone*, 645 N.W.2d at 100, and we will not reweigh evidence or make factual findings on appeal, *Sefkow v. Sefkow*, 427 N.W.2d 203, 210 (Minn. 1988). *See Rutz v. Rutz*, 644 N.W.2d 489, 493 (Minn. App. 2002) (“[We] do

not engage in a redetermination of facts but defer to the district court's credibility determinations and to findings that are supported by the record."), *review denied* (Minn. July 16, 2002).

Here, the district court's findings adequately explain its reasoning for awarding respondent the Bates property. The district court made findings regarding respondent's significant involvement in the Dayton's Bluff neighborhood, the close proximity of the Bates property to her employment, and the fact that she wished to offer summer daycare services out of the home. While the district court acknowledged appellant's assertion that he made a substantial contribution to improving the Bates property, it also found that respondent was equally involved in those improvements. The district court further found that by awarding the Bates property to respondent, appellant would receive a large sum of money that would allow him to secure a new residence.

We conclude that the district court's findings are adequate to demonstrate that it considered the relevant statutory factors. Because the district court made findings as required by the statute and because its findings are supported by the record, the district court did not abuse its discretion by awarding respondent the Bates property.

B. Market value of the Bates property

A district court's valuation of an item of property is a finding of fact and will not be set aside unless it is clearly erroneous on the record as a whole. *Maurer v. Maurer*, 623 N.W.2d 604, 606 (Minn. 2001). We do not require the district court to be exact in its valuation of assets so long as the value "lies within a reasonable range of figures." *Johnson v. Johnson*, 277 N.W.2d 208, 211 (Minn. 1979).

Appellant challenges the district court's findings on three grounds. First, appellant argues that the district court erred by relying on respondent's 2008 appraisal and that Peterson's expert opinion was not credible. The district court made extensive findings concerning the character of the Bates property, including the fact that it is a unique home in East St. Paul that has won an award for historic preservation and "has been featured on the Minneapolis-St. Paul home tour." The district court also commented on the fact that appellant's appraiser used a condemned property as a comparable home in his appraisal. These findings adequately describe the district court's reasoning for accepting respondent's appraisal over appellant's appraisal, and it was within the district court's discretion to accept the figure of \$295,000 as the value of the Bates property. *See Kitchar v. Kitchar*, 553 N.W.2d 97, 102 (Minn. App. 1996) (stating that it was not an abuse of discretion to reject one party's appraiser in favor of another), *review denied* (Minn. Oct. 29, 1996). Further, it is not the role of this court to resolve issues of witness credibility. *See Rutz*, 644 N.W.2d at 493. Because there is support in the record for the district court's valuation of the Bates property at \$295,000, we conclude that this finding is not clearly erroneous.

Appellant also argues that the district court erred by assigning the higher value of \$295,000 to the Bates property based in part on respondent's willingness to have that value credited against her in the property division. But the district court awarded respondent the Bates property, and in the context of the entire property division, it was more fair and equitable to appellant to award respondent the Bates property using the higher appraisal value of \$295,000 as opposed to appellant's proposed value of \$167,000.

Finally, appellant contends that the district court abused its discretion in determining the marital value of the Bates property. The district court reduced the appraised value of the Bates property by \$11,909.24, the amount that respondent paid toward the mortgage following the district court's 2007 order requiring her to be solely responsible for that obligation. While the district court characterized this amount as a "nonmarital interest," in the context of the entire order, we are satisfied that this amount was properly relied on by the district court in arriving at the marital value of the Bates property. Minn. Stat. § 518.58, subd. 1, requires the district court to consider each party's contribution to the preservation or appreciation of the property when determining the value of marital property. Because respondent was ordered to be the sole contributor to the Bates property mortgage after the parties' separation, she invested \$11,909.24 in the Bates property by paying down the mortgage. It was not an abuse of the district court's discretion to take this fact into account when determining the marital value of the Bates property.

II.

Appellant contends that he is entitled to a nonmarital interest in the Bates property by virtue of his use of nonmarital funds for the down payment at the time of purchase. Whether property is properly characterized as nonmarital is a question of law, which we review de novo. *Olsen v. Olsen*, 562 N.W.2d 797, 800 (Minn. 1997). But this court defers to a district court's findings of fact. *Id.* Marital property is defined as real or personal property acquired by either of the parties during their marriage. Minn. Stat. § 518.003, subd. 3b (2010). All property acquired during the marriage is presumed to be

marital property unless the recipient spouse can show by a preponderance of the evidence that the acquired property is nonmarital. *Risk ex rel. Miller v. Stark*, 787 N.W.2d 690, 696 (Minn. App. 2010), *review denied* (Minn. Nov. 16, 2010).

Appellant testified that money from the parties' savings account² was used as a bridge loan to fund the Bates property down payment until the closing on the Charles Avenue property. Both appellant and respondent testified that the proceeds from the sale of the Charles Avenue property replenished that same account following its closing. These facts are sufficient to demonstrate by a preponderance of the evidence that appellant has a nonmarital interest in the Bates property.

The district court focused on the timing of the Bates property down payment and reasoned that because the actual monies received from Charles Avenue were not applied to the Bates property down payment, appellant failed to prove his nonmarital interest. We conclude that this strict focus on timing was error. We have held that a spouse seeking to trace a marital asset to a nonmarital source is not subject to a "strict tracing" standard. *Doering v. Doering*, 385 N.W.2d 387, 390 (Minn. App. 1986). This principle applies equally to this scenario. Appellant's unchallenged testimony that the Charles Avenue funds, which were his, replenished or repaid the bridge loan from the parties' savings account is sufficient to satisfy his burden.

² We note that the district court made a factual finding that the down payment was taken from a checking account, but there is no record support for this finding. Both parties clearly testified that the down payment funds were taken from a savings account. Thus, this finding is clearly erroneous, but the error does not affect our analysis.

We further note that respondent did not challenge appellant's assertion that his nonmarital interest in the Bates property is 9.5%, based on the formula outlined in *Schmitz v. Schmitz*, 309 N.W.2d 748, 750 (Minn. 1981). We therefore remand for the district court to utilize this percentage to determine appellant's nonmarital interest in the Bates property.

III.

Appellant contests the district court's characterization of respondent's savings bonds as nonmarital property. Nonmarital property includes real or personal property acquired by a spouse during the marriage that "is acquired as a gift, bequest, devise or inheritance made by a third party to one but not the other spouse." Minn. Stat. § 518.003, subd. 3b(a) (2010). The district court found that the bonds remained in their original form, are still in respondent's name or the name of her grandparents, and had not been commingled with other funds or assets. The record reflects that respondent's grandparents gave her multiple savings bonds over the course of her life; many are in respondent's maiden name and were issued before she was married. While appellant asserted at oral argument that some of the savings bonds were issued in his name, we do not find support in the record for this assertion. Appellant was issued one \$100 savings bond, but that bond was characterized as an asset of R.S. and was not considered part of respondent's nonmarital claim. We conclude that, as a matter of law, respondent met her burden of proving by a preponderance of the evidence that her savings bonds are her nonmarital property.

Appellant also argues that even if the savings bonds are properly characterized as respondent's nonmarital property, the district court should have invaded this nonmarital property to compensate him for the labor expended on the Bates property. The district court may award a spouse up to one-half of the other party's nonmarital interests in cases of unfair hardship. Minn. Stat. § 518.58, subd. 2 (2010). The district court has broad discretion in awarding nonmarital property, but we have held that a "very severe disparity between the parties is required to sustain a finding of unfair hardship." *Reynolds v. Reynolds*, 498 N.W.2d 266, 271 (Minn. App. 1993). There is nothing in the record to demonstrate the existence of a "very serious disparity" between appellant and respondent, even in the context of the effort expended by both on the Bates property improvements, such that an award of nonmarital property would be appropriate. The district court did not abuse its discretion by rejecting appellant's request.

IV.

Appellant argues that the district court erred in its findings and conclusions related to the Iglehart and Dayton properties, contending that the district court's valuation of the properties is error and that the district court's findings of fact regarding the rental income and expenses are clearly erroneous.

A. Valuation of rental properties

Appellant contends that the district court erred in arriving at the value of the rental properties.³ A district court's valuation of an item of property is a finding of fact and will not be set aside unless it is clearly erroneous on the record as a whole. *Maurer*, 623 N.W.2d at 606. We do not require the district court to be exact in its valuation of assets so long as the value "lies within a reasonable range of figures." *Johnson*, 277 N.W.2d at 211.

The district court assigned the values of the rental properties based on appellant's trial exhibits. Specifically, the district court relied on appellant's 2009 market summaries of the two properties. The market summaries included an "estimated sale price" for both rental properties, which the district court adopted. Appellant argues that it was error to rely on these values contained in his market analysis and that the district court should have instead relied on the average sale prices of the comparable listings found elsewhere in the analyses. Nothing in appellant's market summaries definitively states the market value of the properties, and there is no indication in the exhibit that appellant's proposed figures are a better representation of the values. Because the values lie within a reasonable range and because they are supported by evidence in the record, we conclude that the district court's valuations of the rental properties are not clearly erroneous.⁴

³ Appellant also argues that the district court should have adopted his proposal and awarded the properties without valuing them. We conclude that the district court was well within its discretion to reject this approach and assign values to the rental properties.

⁴ After subtracting the amount of encumbrances, the district court arrived at a marital value for the two properties of \$22,852. In appellant's proposed findings of fact, he

Appellant also contends that he is entitled to a reduction on the value of the rental properties in the amount of the money that he paid toward the mortgages during the parties' separation, similar to the credit that reduced the marital value of the Bates property. Appellant did not make this argument to the district court, arguing only that neither party should be awarded a credit for the reduction in mortgage during the separation. Thus, the district court did not have the opportunity to consider appellant's argument that he was entitled to a credit for the mortgage payments he made toward the rental properties, and we are similarly unable to consider this argument on appeal. *See Thiele v. Stich*, 425 N.W.2d 580, 582 (Minn. 1988) (stating that an argument that is not presented to and decided by the district court is considered waived on appeal).

B. Alleged factual errors

Appellant argues that the district court's findings regarding the rental income and mortgage payments for the rental properties are clearly erroneous. The district court found that the rental properties currently generate monthly rental income of approximately \$3,575. The district court also found that after the mortgage payments of \$3,471 per month, the rental income generates a monthly surplus of \$104 per month and that appellant had been using that income "for his own purposes." Appellant contends that these findings are clearly erroneous because he presented evidence that the properties generated negative cash flow. Because appellant's trial exhibits and testimony support

argued that the properties should be awarded at zero value, but because the values of the properties were "relevant for the purpose of an award of attorney's fees," appellant did assign a marital value to the two properties. We note that the marital value appellant suggested was \$72,020, based on the 2008 appraisals of the properties, which assigned a significantly higher market value to them.

the district court's findings on the amount of rental income generated each month and the monthly mortgage payments, we conclude that these findings are not clearly erroneous.

Based on these findings, the district court determined that respondent should be awarded a credit for one-half of the rental income for the two months that she contributed to the rental-property mortgage payments. Because the rental income covered the mortgage expenses, the district court concluded that it would be inequitable to require respondent to pay for one-half of the mortgages out of pocket and allow appellant to keep 100% of the rental income. In effect, the district court reasoned that respondent would be paying 75% of the mortgage "since the parties would be equally dividing the responsibility yet with [appellant] keeping all of the rental income." This reasoning is supported by trial testimony; appellant conceded that he was able to pay his one-half of the mortgage payments by using the rental income and respondent had to pay for her one-half out of pocket. It was not an abuse of the district court's discretion to award respondent a credit for one-half of the rental income for the same months that she also paid one-half of the mortgage payments.

V.

Appellant contends that the district court erred by assigning values to various automobiles. The district court has broad discretion in the evaluation and division of property in a marital dissolution. *Antone*, 645 N.W.2d at 100. According to appellant, the parties had an agreement to divide the automobiles "without assigning value." We see nothing in the record to support appellant's assertion regarding this agreement. The

district court was charged with dividing the marital property in an equitable manner, and it was not an abuse of the district court's discretion to assign values to the vehicles.

VI.

Appellant argues that the district court abused its discretion by failing to award him attorney fees. "On review, this court will not reverse a [district] court's award or denial of attorney fees absent an abuse of discretion." *Becker v. Alloy Hardfacing & Eng'g Co.*, 401 N.W.2d 655, 661 (Minn. 1987). Appellant sought both need- and conduct-based attorney fees. Minn. Stat. § 518.14, subd. 1 (2010), allows the district court the discretion to award need-based attorney fees if it finds:

- (1) that the fees are necessary for the good faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;
- (2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and
- (3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

The same section also allows the district court to award attorney fees "against a party who unreasonably contributes to the length or expense of the proceeding." Minn. Stat. § 518.14, subd. 1.

Appellant originally moved for conduct-based fees following mediation; that motion was denied because the district court determined that appellant also engaged in unfavorable conduct by disclosing confidential information from the mediation session. After trial, the district court denied appellant's request for attorney fees that he brought on nearly identical grounds, finding that it was fair and equitable to require both parties to

pay their own attorney fees. Further, there is nothing in the record to support an award of conduct- or need-based fees. We conclude that the district court acted within its discretion by denying appellant's motion for fees.

VII.

Appellant argues that the district court abused its discretion by adopting a majority of respondent's proposed findings of fact and conclusions of law. "[T]he verbatim adoption of a party's proposed findings and conclusions of law is not reversible error per se." *Bliss v. Bliss*, 493 N.W.2d 583, 590 (Minn. App. 1992), *review denied* (Minn. Feb. 12, 1993). This court has cautioned the district courts against this practice as it raises the question of whether the district court independently reviewed the testimony and evidence. *Id.* Nevertheless, this court still reviews the district court's findings for clear error.

The district court did not adopt verbatim respondent's proposed findings and conclusions of law. While the district court adopted much of respondent's proposed order, the district court did make changes. After a full review of the record, we conclude that the district court's findings have record support, and we are satisfied that the district court considered and weighed the evidence appropriately.

Affirmed in part, reversed in part, and remanded.