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Minn. Stat. § 480A.08, subd. 3 (2008).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A09-1030**

The Village at Izatys Association,
Respondent,

vs.

Daniel R. Jaskowick, debtor,
Appellant,

and

U S Bank,
Garnishee.

**Filed January 5, 2010
Affirmed
Halbrooks, Judge**

Scott County District Court
File No. 70-CV-09-5954

Richard L. Muske, 7616 Currell Boulevard, Suite 200, Woodbury, MN 55125 (for
respondent)

Daniel R. Jaskowick (pro se appellant)

Considered and decided by Bjorkman, Presiding Judge; Klaphake, Judge; and
Halbrooks, Judge.

UNPUBLISHED OPINION

HALBROOKS, Judge

Pro se appellant Daniel R. Jaskowick challenges the district court's denial of his request for a garnishment exemption. Because the record supports the district court's determination that appellant failed to meet his burden to demonstrate that the funds in his U.S. Bank account were exempt from his creditor's claims, we affirm.

FACTS

On February 20, 2009, U.S. Bank received a garnishment request in appellant's name and as a result of that garnishment, held \$929.91 from appellant's bank account. At this time, appellant's account at U.S. Bank was a business account, owned by appellant as a sole proprietor. In March 2009, after the garnishment, appellant sent a letter to respondent, The Village at Izatys Association, requesting that the garnished funds be released. Appellant claimed that the funds in the U.S. Bank account were exempt from garnishment because the business account was owned by appellant's corporation, Cabinets by Dan, Inc., and not by appellant personally.¹ According to appellant's letter, the bank erred by not changing the ownership of the account in 1999, the year that he formed the corporation. Respondent objected to appellant's exemption claim, and appellant requested an evidentiary hearing on the issue.

¹ Appellant's letter also claimed that he was entitled to an exemption because he was making child-support and maintenance payments and had lost his home. The record contains no evidence to support these claims, and appellant does not raise these issues in this appeal.

Because appellant did not provide the transcript of the district court proceedings, the extent of his arguments on the issue of exemption is unclear. But he did submit exhibits to the district court, which included the certificate of incorporation for Cabinets by Dan, Inc., dated January 19, 1999; the articles of incorporation for Cabinets by Dan, Inc., also dated January 19, 1999; a letter from U.S. Bank to appellant verifying an address change on his account dated March 5, 2009; and the letter that appellant sent respondent in March 2009. The district court specifically found that “[a]t the time of the garnishment, the account of [appellant] located and garnished by U.S. Bank was a business account owned by [appellant] as a sole proprietor” and that appellant “failed to sustain his burden of showing that the funds in the account were exempt from [respondent]’s claims.” This appeal follows.

D E C I S I O N

Appellant argues that the district court erred by finding that the funds in his bank account are not exempt from garnishment. Whether or not a debtor sufficiently demonstrates that certain garnished funds are exempt from creditors is a question of fact. *Investors Savs. Bank v. Miller*, 440 N.W.2d 168, 171 (Minn. App. 1989). “Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous” Minn. R. Civ. P. 52.01. “On appeal, a [district] court’s findings of fact are given great deference” *Fletcher v. St. Paul Pioneer Press*, 589 N.W.2d 96, 101 (Minn. 1999).

A garnishment summons attaches to “all . . . nonexempt indebtedness, money, or other property due or belonging to the debtor and owing by the garnishee or in the possession or under the control of the garnishee at the time of service of the garnishment summons.” Minn. Stat. § 571.73, subd. 3(2) (2008). Certain property is exempt from garnishment under Minn. Stat. § 550.37 (2008). Appellant has the burden to establish the applicability of an exemption and to support his argument with evidence. *See Estate of Jones by Blume v. Kvamme*, 510 N.W.2d 6, 12 (Minn. App. 1993) (“The debtor has the burden of establishing that funds are exempt from garnishment and attachment.”), *rev’d on other grounds*, 529 N.W.2d 335 (Minn. 1995).

Appellant argues that the funds in the U.S. Bank business account are exempt from garnishment because they belonged to his corporation, not to him. While a corporate asset is not specifically defined as exempt from garnishment in section 550.37, “[i]t is well settled that a corporation possesses a legal existence separate from its stockholders. It owns its own property, and it must answer for its own contractual obligations and tort liabilities. . . . A corporation is not a person, but has a legal and real individuality.” *Milwaukee Motor Transp. Co. v. Comm’r of Taxation*, 292 Minn. 66, 71-72, 193 N.W.2d 605, 608-09 (1971) (quotation and citations omitted). The assets of a corporation cannot be used to satisfy the debts of an individual or a stockholder, except in limited circumstances. *See, e.g., Victoria Elevator Co. v. Meriden Grain Co.*, 283 N.W.2d 509, 512 (Minn. 1979) (“[W]here the formalities of corporate existence are disregarded by one seeking to use it, corporate existence cannot be allowed to shield the individual from liability for damages incurred by those dealing with the corporation.”).

The district court found that the U.S. Bank business account was owned by appellant as a sole proprietor and not by the corporation, Cabinets by Dan, Inc. The only evidence that appellant offered in support of his assertion consisted of the certificate of incorporation and the articles of incorporation for Cabinets by Dan, Inc. and a letter from U.S. Bank verifying an address change on his account after the garnishment occurred. While appellant may have properly formed a corporation, there is no evidence to support his claim that the bank account in question belonged to the corporation or that the funds in the account could be traced to earnings of the corporation. The fact that appellant owned a corporation is insufficient evidence to support his arguments. We therefore conclude that the district court's finding that appellant owned the U.S. Bank account as a sole proprietor was not clearly erroneous.

Affirmed.