This opinion is nonprecedential except as provided by Minn.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
A26-0131

Claims, Inc.,
Respondent,

vs.

Lionel Njitor, et al.,
Appellants.

Filed August 3, 2026
Affirmed
Beane, Judge

Washington County District Court
File No. 82-CV-25-1318

Anthony A. Remick, Sarah G. Loken, Hellmuth & Johnson PLLC, Edina, Minnesota (for respondent)

Adam C. Hagedorn, Hagedorn Law Firm, P.L.L.C., Minneapolis, Minnesota (for appellants)

Considered and decided by Smith, Tracy M., Presiding Judge; Harris, Judge; and Beane, Judge.

NONPRECEDENTIAL OPINION

BEANE, Judge

Appellants Lionel and Yvonne Njitor challenge the district court's decision to grant summary judgment for respondent Claims Inc. on its breach-of-contract claim related to the parties' public-adjusting contract. The Njitors argue that (1) their purported contractual obligation to pay Claims a percentage of any payment received from their insurer under their dwelling and associated debris-removal coverages is not supported by consideration; (2) the contract should be voided because Claims fraudulently induced them to sign it; (3) the contract does not permit Claims to recover a fee on personal-property reimbursements or costs incurred for alternative living expenses; and (4) their subsequent written promise to pay Claims is not enforceable as a contract. We affirm.

FACTS

The following facts are undisputed. On July 28, 2024, the Njitors' home and nearly all of its contents were destroyed in a fire. The Njitors had homeowners' insurance through Allstate Insurance Company, with a policy limit of $647,432 for their dwelling. Shortly after the fire, an Allstate insurance adjuster visited the home to evaluate the damage. On August 6, Allstate provided the Njitors with a written estimate valuing the replacement cost value of the dwelling at $1,145,677.15. The estimate noted that the amount of the loss exceeded the policy limit.

On August 12, the Njitors signed a public-adjusting contract with Claims. The contract consists of a completed form that was signed by both parties. The "Scope of Contract" provision states that the Njitors hired Claims "to assist in the preparation, presentation, and adjusting of insurance claim with [Allstate] under the following types of coverage that may apply," with a list of 12 categories with check boxes: "Building," "Contents," "Loss of Use," "Living Expenses," "Other Structures," "Personal Property," "Debris Removal," "Landscaping/Trees/Shrubs," "Fire Department Services," "Rekeying/Temporary Repairs," "Jewelry/Furs/Antiques/Guns/Collectibles," and "Other."

All 12 boxes are checked, and in the blank space following "Other" is hand-written "all fire benefits." In exchange, the Njitors agreed to "pay and assign[] to" Claims ten percent "of amounts paid in settlement of the loss by [Allstate] related to coverage(s) authorized under the Scope of Contract." The contract states it is "the entire agreement between the parties."

Claims thereafter helped the Njitors with their insurance claim. It submitted four proofs of loss to Allstate on the Njitors' behalf related to coverages for the dwelling; other structures; debris removal; trees, shrubs, plants, and lawn; personal property; and living expenses. Claims also helped the Njitors find and secure alternative living arrangements.

Allstate made several payments to or on behalf of the Njitors. Allstate issued a jointly payable check to the Njitors, their mortgage company, and Claims in the amount of $713,794.20 for the dwelling, other structures, and debris removal associated with both. Allstate separately paid the Njitors $208,605.43 for the actual cash value of their personal property (accounting for depreciation) and reimbursed the Njitors $72,619.11 for recoverable depreciation on personal property that they replaced (accounting for the cost to replace property at its current price).[1] And Allstate paid $74,375.40 to a third party for the Njitors' temporary housing.

Claims sent the Njitors invoices requesting ten percent of the insurance payments made related to the dwelling, other structures, and debris removal coverages, as well as

[1] The Njitors argued to the district court that the amount of reimbursement was speculative because they had not yet replaced all of their property, but they do not dispute in this appeal that they replaced their property and Allstate reimbursed them $72,619.11.

those made for the actual cash value and recoverable depreciation of their personal property. The Njitors paid Claims ten percent of the amount Allstate paid for the actual cash value of their personal property but refused to pay a fee on recoverable depreciation. With respect to the payment for the dwelling, other structures, and debris removal, Claims refused to endorse the jointly payable check unless the Njitors signed an agreement promising to pay ten percent of the check. The Njitors signed the promise to pay but then refused to remit the promised ten percent to Claims.

In March 2025, Claims sued the Njitors, asserting breach of the public-adjusting contract, as well as various equitable claims. Claims alleged that the Njitors owe it ten percent of "all payments" that Allstate "has issued or will issue" on their insurance claim and that the Njitors have not paid "the full amount" owed. The Njitors admitted that they signed the public-adjusting contract but disputed its terms; they also asserted affirmative defenses, including fraudulent inducement and duress.

The parties cross-moved for summary judgment. In support of its motion, Claims argued that the public-adjusting contract entitles it to ten percent of all amounts that Allstate paid to or on behalf of the Njitors related to any of the listed coverage types. Claims asserted that the Njitors still owe ten percent of the payments they received for the dwelling, other structures, and debris removal ($71,379.42); recoverable depreciation on personal property ($7,261.91); and living expenses ($7,437.54).

The Njitors principally argued that the public-adjusting contract does not obligate them to pay Claims a fee on the insurance payments for the dwelling and associated debris removal. They asserted that the portion of the contract pertaining to the dwelling and associated debris-removal coverages is a severable part of the contract for which Claims did not give consideration because Allstate had already determined that the dwelling was a total loss before the contract was signed.[2] They further claimed that their subsequent written promise to pay those amounts to Claims is not enforceable because it lacks consideration and was signed under duress. The Njitors also argued that Claims fraudulently misrepresented the scope of the contract by telling them that it would "make Allstate pay more" for the dwelling part of their claim by getting Allstate to pay for solar panels and a remodeling loan (which Allstate had refused to pay) and saying that it would take a fee only on any additional funds that it recovered. And the Njitors argued that the plain language of the public-adjusting contract does not entitle Claims to a fee on Allstate's reimbursements for personal-property depreciation or living expenses because those reimbursements are not payments within the scope of the contract.

The district court granted summary judgment to Claims, reasoning that the plain language of the public-adjusting contract requires the Njitors to pay Claims ten percent of all payments from Allstate, the Njitors' proffered extrinsic evidence is inadmissible to alter or negate that obligation, and their affirmative defenses fail as a matter of law. The district court awarded Claims $87,078.87 in unpaid fees on Allstate's payments for the dwelling,

[2] The Njitors conceded that Claims is entitled to a fee on the payment for other structures and associated debris removal.

other structures, and debris removal; living expenses; and recoverable depreciation coverages.[3]

The Njitors appeal.

DECISION

The Njitors challenge the district court's decision granting Claims' motion for summary judgment on its claim that the Njitors breached the public-adjusting contract by failing to pay the entire amount owed. Summary judgment is appropriate when the moving party shows that "there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law." Minn. R. Civ. P. 56.01. We review a district court's grant of summary judgment de novo to determine whether there are genuine issues of material fact and whether the district court erred in its application of the law. *Kuhn v. Dunn*, 8 N.W.3d 633, 637 (Minn. 2024). In doing so, we view the evidence in the light most favorable to the party against whom the district court granted summary judgment. *Windcliff Ass'n, Inc. v. Breyfogle*, 988 N.W.2d 911, 916 (Minn. 2023).

I.

We first consider the Njitors' contention that the district court erred by concluding that they breached the public-adjusting contract by refusing to pay Claims a ten-percent fee related to Allstate's payment for their dwelling and associated debris removal. A breach-of-contract claim has three elements: (1) formation of a contract, (2) plaintiff's

[3] The parties now agree that the amount should be $86,078.87. The parties have not asked this court to correct that mathematical error but agree that it can be addressed administratively with the district court.

performance of any conditions precedent to its right to demand performance by the defendant, and (3) breach of the contract by defendant. *Park Nicollet Clinic v. Hamann*, 808 N.W.2d 828, 833 (Minn. 2011). The formation of a contract requires an offer, acceptance, and consideration. *Thomas B. Olson & Assocs., P.A. v. Leffert, Jay & Polglaze, P.A.*, 756 N.W.2d 907, 918 (Minn. App. 2008), *rev. denied* (Minn. Jan. 20, 2009). Under "well established" principles of contract interpretation, we look to the contract language to discern the parties' intent. *Storms, Inc. v. Mathy Constr. Co.*, 883 N.W.2d 772, 776 (Minn. 2016). If "terms of the contract may be given their plain and ordinary meaning, construction of the contract is a matter for the court and summary judgment may be appropriate." *Kuhn*, 8 N.W.3d at 637.

The Njitors acknowledge that they signed the public-adjusting contract with Claims and do not dispute that the reference in that contract to coverage for "Building" means coverage for their dwelling. But they argue that any promise to pay a fee related to Allstate's payment for their dwelling or associated debris-removal coverage is not enforceable under contract principles because it is a severable part of the contract not supported by consideration. Even assuming that the parties' contract is severable in the manner the Njitors propose, we disagree.

"Consideration requires that one party to a transaction voluntarily assume an obligation on the condition of an act or forbearance by the other party." *Med. Staff of Avera Marshall Reg'l Med. Ctr. v. Avera Marshall*, 857 N.W.2d 695, 701 (Minn. 2014). We "will not examine the adequacy of consideration as long as something of value has passed between the parties." *Cityscapes Dev., LLC v. Scheffler*, 866 N.W.2d 66, 71 (Minn. App. 2015).

According to the plain language of the public-adjusting contract, Claims agreed to provide services—"preparation, presentation, and adjusting"—for the Njitors' insurance claim for all types of coverage indicated in the scope of contract, which expressly includes the dwelling and debris-removal coverages. And the Njitors assumed a corresponding obligation to pay Claims ten percent of the amount that Allstate pays related to coverage types in the scope of contract. In short, the contract provides for an exchange of services for payment, which is consideration.

Notwithstanding the contract's plain language regarding this exchange, the Njitors argue that Claims did not actually "assume any responsibility" related to the dwelling and associated debris-removal coverages. As support for this argument, the Njitors contend they presented evidence that, before they signed the public-adjusting contract, the Njitors told Claims that Allstate had already determined that the dwelling was a total loss and promised to pay the full amount due under the Njitors' policy. They further assert that Claims promised to help them recover more for their dwelling by pursuing payment for the Njitors' solar panels and remodeling loan and promised to collect a fee only on the amount of any additional payment recovered. And they claim that Claims merely copied Allstate's dwelling loss valuation onto a proof-of-loss form and did not provide any services related to the dwelling and associated debris-removal coverages. The Njitors do not dispute that this evidence is extrinsic to the contract. Nor do they dispute that, under the parol evidence rule, extrinsic evidence is generally inadmissible to "vary, contradict, or alter" the terms of an integrated written agreement. *Alpha Real Est. Co. of Rochester v. Delta Dental Plan of Minn.*, 664 N.W.2d 303, 312 (Minn. 2003) (quotation omitted). But they contend it is admissible here under two exceptions to the parol evidence rule.

First, the Njitors contend that the evidence establishes a condition precedent. They are correct that parol evidence may be admissible to show that a contract is "subject to a condition precedent." *Mollico v. Mollico*, 628 N.W.2d 637, 642 (Minn. App. 2001). But such evidence still may not be used to "contradict or vary the terms of the written instrument." *Craigmile v. Sorenson*, 58 N.W.2d 865, 872 (Minn. 1953) (explaining that extrinsic evidence of a condition precedent "only bears on the question whether a contract ever came into existence"). Varying contract terms is precisely what the Njitors seek to do through parol evidence here. They argue that payment for the dwelling actually means payment *that exceeds the amount the insurer had already agreed to pay* for the dwelling. And they further argue that their obligation to pay a ten-percent fee would have applied only if Claims had procured an additional payment and even then, only to the additional amount recovered. In other words, the Njitors seek to rely on parol evidence to alter the plain language of the contract by modifying the meaning of both dwelling and payment. The condition-precedent exception to the parol-evidence rule therefore does not apply here.

Second, the Njitors argue that their parol evidence is admissible because the public-adjusting contract is ambiguous. "Parol evidence may be considered to determine intent when a contract's language is ambiguous." *Trebelhorn v. Agrawal*, 905 N.W.2d 237, 242 (Minn. App. 2017). The Njitors contend the word "may" in the clause "types of coverage that may apply" renders the "Scope of Contract" provision ambiguous as to whether the parties intended the contract to apply to any particular coverage type. But in context, the use of the word "may" simply reflects the structure of the form contract, which recognizes that not all the insurance coverage types listed will necessarily be relevant to a given insurance claim. The form contemplates that Claims and the insured will select and mark the check boxes next to the types of coverage for which the insured seeks to engage Claims' services. Here, the Njitors agreed to include within the contract's scope all listed coverage types, plus "all fire benefits," which unambiguously indicates their intent to seek Claims' assistance with respect to all the categories listed, and their promise to pay Claims ten percent of the payment for each. Thus, their argument that parol evidence should have been admitted to resolve an ambiguity in the language of the contract also fails.

In sum, our review is limited to the plain language of the public-adjusting contract, and that contract identifies service and payment obligations for each of the listed coverage types. Claims' service obligation provides consideration for the Njitors' obligation to pay Claims a share of their insurance recovery for each coverage type, including coverage for the dwelling and associated debris removal. Consequently, the district court did not err by awarding Claims its ten-percent fee on Allstate's payment for the Njitors' dwelling and associated debris removal.

II.

We next address the Njitors' argument that the district court erred by rejecting their affirmative defense of fraudulent inducement as a matter of law. "A contract is voidable if a party's assent is induced by a fraudulent misrepresentation on which the party is *justified* in relying." *MCC Invs. v. Crystal Props.*, 415 N.W.2d 908, 911 (Minn. App. 1987) (emphasis added), *rev. denied* (Minn. Feb. 12, 1988). A party may present evidence extrinsic to the contract to demonstrate fraud. *Johnson Bldg. Co. v. River Bluff Dev. Co.*, 374 N.W.2d 187, 193 (Minn. App. 1985), *rev. denied* (Minn. Nov. 18, 1985). But reliance on an oral representation is unjustifiable as a matter of law if the written contract provision "explicitly state[s] a fact completely contradictory to the claimed misrepresentation." *Great Plains Educ. Found., Inc. v. Student Loan Fin. Corp.*, 954 N.W.2d 844, 850 (Minn. App. 2020) (quotation omitted), *rev. denied* (Minn. Mar. 30, 2021).

The Njitors' fraudulent-inducement defense is based on the same extrinsic evidence as their interpretation of the contract language addressed above. That is, they assert that Claims' representations about securing additional payments from Allstate for their dwelling and taking a fee on only any additional amount recovered were false and reasonably induced them to include the dwelling coverage in the contract. The district court rejected this defense, reasoning that although a factfinder could find that Claims intentionally made false representations to induce the Njitors to include the dwelling coverage in the contract, the Njitors' reliance on those representations—specifically, the representations regarding Claims' fee—was unjustifiable as a matter of law because the alleged misrepresentations contradict the contract.

The Njitors contend that this was error. They argue Claims' representations were not "in plain contradiction" to the contract because "solar panels and home remodeling loan are considered building coverage." But as explained above, the unambiguous language of the parties' contract does not limit its application to only the portion of the dwelling coverage related to the solar panels and home remodeling loan. And the plain language of the contract provides for a ten-percent fee for any payment related to the coverage types within its scope, without qualification. This language directly contradicts Claims' purported representations that it would receive a fee for the dwelling-coverage payment only if that payment included certain amounts that Allstate had previously refused to pay, and that any such fee would be based solely on the additional amount. Because Claims' alleged oral representations to the Njitors expressly contradict the language of the contract, any reliance on those representations was unjustifiable as a matter of law. We therefore conclude the district court did not err by rejecting the Njitors' fraudulent-inducement defense.

III.

Last, we address the Njitors' argument that Claims is not entitled to recover a fee on payments Allstate made to reimburse the Njitors for recoverable depreciation of their personal property or to cover their living expenses. As the Njitors acknowledge, the plain language of the public-adjusting contract controls our analysis. *Storms*, 883 N.W.2d at 776.

The public-adjusting contract provides that the Njitors agree to pay Claims ten percent "of amounts paid in settlement of the loss by [Allstate]." It defines the phrase "in settlement of the loss" as including "all payments made by [Allstate] in full or partial resolution of the claims, including payments made by agreement, court judgment, mediation, arbitration, appraisal, and other forms of dispute resolution." The contract does not further define "payment." We often rely on dictionary definitions to determine the plain meaning of undefined contractual terms. *SECURA Ins. Co. v. Deere & Co.*, 12 N.W.3d 103, 109 (Minn. App. 2024), *rev. denied* (Minn. Dec. 17, 2024). "Payment" ordinarily means "[a]n amount paid." *The American Heritage Dictionary of the English Language* 1296 (5th ed. 2018).

The Njitors argue that money Allstate paid to them for "withheld depreciation" of personal property were not "payments" subject to Claims' fee because they were reimbursements that the Njitors received only after spending their own money to replace the personal property they lost in the fire. But the Njitors identify nothing in the language of the public-adjusting contract or the ordinary usage of the term "payment" that says a reimbursement is not a payment. To the contrary, the term "reimburse" means "[t]o pay back." *Id.* at 1481. And the Njitors consistently use the term "payment" to describe Allstate's reimbursements for the additional costs they incurred to replace their personal property. We therefore conclude that the public-adjusting contract requires the Njitors to pay Claims ten percent of the amount Allstate paid as reimbursement for recoverable depreciation of their personal property.

The Njitors similarly argue that Claims is not entitled to a fee on payments Allstate made to cover their living expenses. They contend these payments are outside the scope of the public-adjusting contract because the funds were paid directly to a third party and they had "no control" over the funds. As with their argument regarding reimbursement, this reasoning adds artificial limits to the ordinary meaning of "payment." The public-adjusting contract does not require that funds be issued directly to the Njitors to constitute a payment. Rather, the contract connects payments to the various categories of coverage comprising their insurance claim. Those categories include loss of use and living expenses, and Allstate undisputedly paid money for the Njitors' benefit related to these coverages. As a result, the Njitors are obligated to pay Claims' fee for these payments.[4]

Affirmed.

[4] Because we conclude that Claims is entitled to summary judgment based on the public-adjusting contract, we decline to address the Njitors' arguments regarding the promise to pay. *See Lubbers v. Anderson*, 539 N.W.2d 398, 402 n.3 (Minn. 1995) (deeming it "unnecessary" to address alternative arguments in light of determination that summary judgment was appropriate).