

UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

Brier Hagen and Heather Nhan, on behalf
of themselves and all others similarly
situated,

Civ. No. 24-3661 (PAM/DTS)

Plaintiffs,

v.

MEMORANDUM AND ORDER

Meridian Services, Inc., Orion Associates
Inc., and Stephen Hage,

Defendants.

This matter is before the Court on Defendants' Motion for Summary Judgment and to Decertify the Class and Plaintiffs' Motions for Partial Summary Judgment and to Certify a Rule 23 class. For the following reasons, the Court grants Defendants' Motion in part and denies Plaintiffs' Motions.

BACKGROUND

Plaintiffs Brier Hagen and Heather Nhan are former employees of Defendant Meridian Services, Inc. Meridian provides case management services to Minnesota clients with medical or physical needs through contracts with seven agencies, comprised of five counties and two insurance companies. Meridian uses Defendant Orion Associates, Inc. to provide finance and human resources functions. Defendant Stephen Hage is Orion's Chief Administrative Officer. Named Plaintiffs Heather Nhan and Brier Hagen worked as Case Managers for Meridian, acting as a liaison between clients, their care teams, and the counties funding the clients' services.

In August 2024, Plaintiffs filed this Fair Labor Standards Act (“FLSA”) collective and Rule 23 class action lawsuit against Meridian and Orion. Plaintiffs allege that Defendants violated federal and Minnesota state wage laws by classifying them and other employees as exempt and failing to pay them overtime. The Amended Complaint raises three claims for unpaid wages in violation of: (1) the FLSA, 29 U.S.C. § 207, on behalf of Plaintiffs and the FLSA collective; (2) the Minnesota Fair Labor Standards Act (“MFLSA”), Minn. Stat. § 177.25, on behalf of Plaintiffs and the putative Minnesota Rule 23 class; and (3) the Minnesota Payment of Wages Act, Minn. Stat. § 181.101, on behalf of Plaintiffs and the putative Minnesota Rule 23 class. In March 2025, Magistrate Judge Schultz conditionally certified the FLSA class. These Motions followed.

DISCUSSION

Neither party moves for summary judgment as to Plaintiffs’ prima facie case—whether Plaintiffs are entitled to unpaid overtime wages. Instead, the parties cross-move for summary judgment as to (1) whether Plaintiffs qualified for an exemption under the FLSA and MFLSA such that they are not due overtime, and (2) whether Defendants demonstrate good faith to avoid liquidated damages under the FLSA. Defendants also seek summary judgment under the MFLSA and FLSA statutes of limitations, arguing that they did not act willfully regarding classification decisions—a finding necessary to extend the limitations periods. Further, Defendants seek to decertify the collective action under the FLSA. Plaintiffs move for summary judgment as to Orion and Hage’s status as joint employers with Meridian and to certify a Minnesota Rule 23 class. Because the parties

cross-move as to some of the same issues, the Court will address the issues, rather than the Motions, in turn.

Summary judgment is proper if there are no disputed issues of material fact and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). The Court must view the evidence and inferences that may be reasonably drawn from the evidence in the light most favorable to the nonmoving party. Tolan v. Cotton, 572 U.S. 650, 660 (2014). The moving party bears the burden of showing that there is no genuine issue of material fact and that it is entitled to judgment as a matter of law. Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). A party opposing a properly supported motion for summary judgment may not rest on mere allegations or denials but must set forth specific facts in the record showing that there is a genuine issue for trial. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 256 (1986). A dispute is genuine if the evidence could cause a reasonable jury to return a verdict for the nonmoving party. Id. at 248.

A. Defendants’ Request to Decertify the FLSA Class

The Court begins with Defendants’ request to decertify the FLSA collective action. FLSA requires only that the putative class members be “similarly situated.” Parker v. Rowland Express, Inc., 492 F. Supp. 2d 1159, 1163 (D. Minn. 2007) (Kyle, J.). When considering a motion for decertification, “the court uses a stricter standard for determining whether the putative class members are similarly situated and reconsiders whether the trial should proceed collectively or if it should be severed.” Frank v. Gold’n Plump Poultry, Inc., Civ. No. 14-1018, 2005 WL 2240336, at *2 (D. Minn. Sept. 14, 2005) (Ericksen, J.).

The determination of whether class members are “similarly situated” under the FLSA requires the consideration of three factors: (1) the extent and consequences of disparate factual and employment settings of the individual plaintiffs; (2) the various defenses available to defendant which appear to be individual to each plaintiff; and (3) fairness and procedural considerations. Burch v. Qwest Commc’ns, Int’l, 677 F. Supp. 2d 1101, 1114 (D. Minn. 2009) (Davis, J.). The Court also considers whether “Plaintiffs can ‘demonstrate that the Defendant[s] had a common policy or plan in violation of the FLSA that negatively impacted the original and opt-in Plaintiffs.’” Id. (quotation omitted). Plaintiffs bear the burden of establishing that they are similarly, but not identically, situated. Smith v. Heartland Auto. Servs., Inc., 404 F. Supp. 2d 1144, 1149 (D. Minn. 2005) (Kyle, J.). Whether to certify a class is within the Court’s discretion. See Nerland v. Caribou Coffee Co., 564 F. Supp. 2d 1010, 1018 (D. Minn. 2007) (Schiltz, J.).

Plaintiffs have not established that the FLSA collective is similarly situated to warrant proceeding collectively. Class members’ testimonies demonstrate significant factual distinctions. They had different hiring qualifications, reported to different supervisors, received different training, worked on different contracts for different populations of clients, and had varied job duties pursuant to the various agencies’ contracts. These widely varying accounts of class members’ work at Meridian is exemplified through the testimony of opt-in Plaintiff Nickolas Cody-O’Neill, who characterized his work as conducting biopsychosocial evaluations for clients, whereas Hagen described her work as clients “telling [her] what they wanted.” (Dep. of Nickolas Cody-O’Neill (Docket No. 120-6) at 68:17-69:3; id. Dep. of Brier Hagen (Ex. 7) at 53:25-54:8.) As in Cruz v.

Lawson Software, the Court finds that class members' job duties varied widely despite common job descriptions, leaving the factfinder to determine "whether each Plaintiff engages in exempt work as his or her 'primary duty.'" 764 F. Supp. 2d 1050, 1062 (D. Minn. 2011) (Davis, J.). These disparate versions of employees' work at Meridian require individual adjudication and credibility determinations. Plaintiffs make no attempt to distinguish Cruz. Further, in Soderberg v. Naturescape, Inc., the Court found that decertification was necessary due to the individualized defenses raised by the defendant based on the different branch managers' duties. 2011 WL 11528148, at *11 (D. Minn. Nov. 3, 2011) (Magnuson, J.). Plaintiffs fail to persuade the Court that the class members' widely varying accounts and responsibilities do not present the same challenge as in Soderberg. The Court finds that the differing job titles and responsibilities, based on their varying contracts with different agencies within Meridian, makes proceeding as a class unmanageable.

Moreover, class members' divergent testimony regarding their timesheets renders class certification unworkable. Some, but not all, class members testified that they falsified their time sheets. For example, because Meridian did not require that time sheets reflect non-working breaks, some time sheets overreport working hours. (See, e.g., Cody-O'Neill Dep. at 117:1-7 (walks), 119:4-7 (personal stops); Diana Macedo Dep. (Docket No. 120-4) at 35:1-4 (breaks, lunch).) Plaintiff Nhan was admonished for inaccurately reporting her time, and Defendants demonstrate that Nhan was retrained and specifically instructed to report her hours worked accurately. (Nahn Dep. Ex. 4.) Similarly, opt-in Plaintiff Diana Macedo recalled being instructed to accurately report her hours worked on her time sheet,

but she “ignored that directive.” (Macedo Dep. at 62:24-63:11.) At trial, the factfinder will need to evaluate each Plaintiff’s standing and assess the credibility of those who are now claiming that their time sheets are inaccurate.

Finally, individualized damages raise a significant pragmatic issue. Defendants intend to present individualized defenses for each Plaintiff, which renders collective treatment unmanageable. For these reasons, the FLSA class must be decertified and the Court will dismiss the opt-in Plaintiffs from this matter without prejudice. See Keef v. M.A. Mortenson Co., Civ. No. 07-3915, 2008 WL 3166302, at *2 (D. Minn. Aug. 4, 2008) (Rosenbaum, J.) (explaining that when a class is decertified, opt-in plaintiffs are dismissed without prejudice). Defendants’ Motion for summary judgment is therefore granted as to the request to decertify the FLSA collective.

B. Plaintiffs’ Motion for Rule 23 Class Certification

A plaintiff seeking to certify a class must initially establish that: (1) the class is so numerous that joinder of all the members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and (4) the representative parties will fairly and adequately protect the class’s interests. Fed. R. Civ. P. 23(a). If Rule 23(a)’s threshold criteria are met, the plaintiff must then show that the action is maintainable under one of the subsections of Rule 23(b). Although the Court does not consider the merits of a plaintiff’s substantive claims in assessing a motion for class certification, the plaintiff bears the burden of establishing each prerequisite element to certification. See Gen. Tel. Co. v. Falcon, 457 U.S. 147, 161 (1982).

Here, Plaintiffs seek Rule 23 certification as to the following class: “All persons who work or worked as Case Managers for Defendants, also referred to as care coordinators, in Minnesota who were paid a salary and treated as exempt from overtime laws and whose primary job duty was providing case management services at any point from three years prior to the filing of the initial Complaint to the date notice issues.” (Pls.’ Mem. in Supp. of Mot. to Certify Class (Docket No. 118) at 18-19.) Plaintiffs seek certification under Rule 23(b)(3), which requires that: (1) questions of law or fact common to the members of the class predominate over any questions affecting individual members; and (2) a class action is the superior method of adjudicating the controversy. Rule 23(b)’s “predominance criterion is far more demanding” than Rule 23(a)’s commonality requirement. Ebert v. Gen. Mills, Inc., 823 F.3d 472, 478 (8th Cir. 2016) (quoting Amchem Prods., Inc. v. Windsor, 521 U.S. 591, 624 (1997)). To meet Rule 23(b)’s requirements, Plaintiffs must show that “questions of law or fact common to class members predominate over any questions affecting only individual members.” See Fed. R. Civ. P. 23(b)(3).

For much the same reasons that proceeding as a FLSA collective is not warranted, certifying a Rule 23 class is similarly inappropriate. Plaintiffs fail to demonstrate that a common question among class members predominates over the differences in job titles, training, caseloads, responsibilities, clients, waivers to fund the services from various counties, the seven different contracts on which employees worked, whether time sheets accurately reflect the hours worked, and whether class members falsified their timesheets. Plaintiffs’ Motion to certify a Rule 23 class is denied.

C. Learned Professional Exemption

Plaintiffs Nhan and Hagen were both Case Managers at Meridian and, according to Defendants, were subject to the learned professional exemption to the FLSA and the MFLSA. Both parties move for summary judgment as to whether Plaintiffs were properly classified as exempt employees.

To qualify for an exemption, an employee’s “primary duty”—that is, “the principal, main, major or most important duty that the employee performs”—must be “the performance of exempt work.” 29 C.F.R. § 541.700(a). “[W]hether [employees’] particular activities excluded them from the overtime benefits of the FLSA is a question of law.” Learing v. Anthem Companies, Inc., 795 F. Supp. 3d 1118, 1129 (D. Minn. 2025) (Provinzino, J.) (quoting Grage v. N. States Power Co.-Minnesota, 813 F.3d 1051, 1054 (8th Cir. 2015)). However, the factfinder at trial is responsible for “[c]redibility determinations, the weighing of the evidence, and the drawing of legitimate inferences from the facts.” Grage, 813 F.3d at 1054 (quotation omitted). Defendants must prove that the learned professional exemption applies by a preponderance of the evidence. See E.M.D. Sales, Inc. v. Carrera, 604 U.S. 45, 54 (2025). In Encino Motorcars, the Supreme Court determined that “because the FLSA gives no textual indication that its exemptions should be construed narrowly, there is no reason to give them anything other than a fair (rather than a narrow) interpretation.” Encino Motorcars, LLC v. Navarro, 584 U.S. 79, 89 (2018) (cleaned up).

The Court considers three factors in determining whether the learned professional exemption applies: (1) that employee’s primary duty is performing “work requiring

advanced knowledge”; (2) the advanced knowledge is “in a field of science or learning”; and (3) the advanced knowledge is “customarily acquired by a prolonged course of specialized intellectual instruction.” 29 C.F.R. § 541.301(a). The Court will evaluate each factor in turn.

1. Advanced Knowledge

“The phrase ‘work requiring advanced knowledge’ means work which is predominantly intellectual in character, and which includes work requiring the consistent exercise of discretion and judgment, as distinguished from performance of routine mental, manual, mechanical or physical work.” 29 C.F.R. § 541.301(b). This work is “generally” characterized by using advanced knowledge “to analyze, interpret or make deductions from varying facts or circumstances.” *Id.* “[T]he learned professions exemption applies if workers rely on advanced knowledge of their specialty to exercise discretion and judgment that is characteristic of their field of intellectual endeavor.” Pippins v. KPMG, LLP, 759 F.3d 235, 243 (2d Cir. 2014).

Defendants argue that Case Managers satisfy this exemption because they exercise discretion in meeting with clients to assess needs and goals and gathering information from service providers to independently determine the appropriate services for each client, thereby ensuring consistency with regulatory and eligibility requirements. Plaintiffs argue that Case Managers are mere “middlemen” and their work is “routine,” not requiring consistent exercise of discretion and judgment. (Pls.’ Mem. in Opp’n (Docket No. 135) at 16.)

A Case Manager's primary job duty is to "provide case management services to an assigned caseload of clients." (Dep. of Heather Nahn (Docket No. 120-2) at 115:3-6.) Plaintiffs met with those clients and various providers and stakeholders to discuss their needs and find and refer providers. (Dep. of Alexis Zappa (Docket No. 130-2) at 164:24-165:3.) Hagen obtained her bachelor's degree and license in social work. (Hagen Dep. at 10:11-17, 17:19-18:4, 26:5-8.) Nhan earned a bachelor's degree in psychology and previously worked, as a housing case manager for Lutheran Social Services, and her interview with Meridian focused on her prior work experience. (Nhan Dep. at 9:25-10:1, 15:5-6, 23:23-25.)

Counties provide clients waivers for services and Plaintiffs worked with the county assessments to create service plans for each client. Nhan testified that she accompanied her clients to meet with new service providers to ensure that the provider could meet the client's medical, mental health, psychological social, and safety needs. (Id. at 98:15-99:21.) She explained that she offered clients additional services that might have been indicated in an assessment but not yet included in a client's waiver from the county. (Id. at 102:4-14.) Hagen testified that she held bi-annual meetings with a client and staff at a group home to determine how to best support the client and determine a plan to accomplish that. (Hagen Dep. at 65:6-23.)

The Court finds that Defendants have established by a preponderance that Plaintiffs exercised discretion and judgment reflecting the experience of professionals in the field of social work to satisfy the "advanced knowledge" portion of the exemption.

2. Field of Science or Learning

The phrase “field of science or learning” includes the traditional professions of law, medicine, theology, accounting, actuarial computation, engineering, architecture, teaching, various types of physical, chemical and biological sciences, pharmacy and other similar occupations that have a recognized professional status as distinguished from the mechanical arts or skilled trades where in some instances the knowledge is of fairly advanced type, but is not in a field of science or learning.

29 C.F.R. § 541.301(c).

Plaintiffs contend that because social work is not explicitly listed in the statute, it cannot meet the exemption’s requirements. That fact alone is not dispositive, as other courts have determined that fields not enumerated in the list, including social work, can constitute fields of science or learning for the exemption. In Chatfield v. Children’s Servs., Inc., the court determined that “although a general degree in a non-related field will not satisfy the specialized instruction test, even where there is no degree, a substantial amount of experience in the relevant field may qualify one for exemption.” 555 F. Supp. 2d 532, 537 (E.D. Pa. 2008). Therefore, the Court determines that Defendants have established by a preponderance that social work can constitute a field of science or learning.

3. Prolonged Course of Specialized Intellectual Instruction

“‘The best prima facie evidence’ that an employee meets the specialized intellectual instruction requirement is ‘possession of the appropriate academic degree.’” Learing, 795 F. Supp. 3d at 1131 (quoting 29 C.F.R. § 541.301(d)). “The phrase ‘customarily acquired by a prolonged course of specialized intellectual instruction’ restricts the exemption to professions where specialized academic training is a standard prerequisite for entrance into the profession.” 29 C.F.R. § 541.301(d). “However, the word ‘customarily’ means that the

exemption is also available to employees in such professions who have substantially the same knowledge level and perform substantially the same work as the degreed employees, but who attained the advanced knowledge through a combination of work experience and intellectual instruction.” Id. For example, “the learned professional exemption is available to the occasional lawyer who has not gone to law school, or the occasional chemist who is not the possessor of a degree in chemistry.” Id. But this exemption “is not available for occupations that customarily may be performed with only the general knowledge acquired by an academic degree in any field, with knowledge acquired through an apprenticeship, or with training in the performance of routine mental, manual, mechanical or physical processes,” nor does it “apply to occupations in which most employees have acquired their skill by experience rather than by advanced specialized intellectual instruction.” Id.

Meridian requires Case Managers to have a bachelor’s degree and, if that degree was not in social work, sociology, or psychology, Meridian considers candidates with at least one year of experience as a social worker, case manager, or care coordinator at a social services agency. (Docket No. 130-6 at 3; Zappa Dep. at 49:4-18, 51:13-24.) Here, as described above, Hagen and Nhan had bachelor’s degrees in social work and psychology. Nhan is a licensed social worker and Hagen had previous experience in the field before starting at Meridian. However, both testified that they learned how to complete and update service plans and find resources for clients “on the job,” rather than through their undergraduate education. (Nhan Dep. at 115:24-116:10; Hagen Dep. at 164:23-165:14.) The Court is mindful of the Supreme Court’s instruction in Encino Motorcars to view

exceptions fairly, and Plaintiffs point to only one non-authoritative case post-Encino Motorcars in which a court found that an exception did not apply.

However, based on the record before the Court, the Court finds that a jury could reasonably draw differing inferences from the facts and find in favor of Plaintiffs or Defendants. Therefore, the Court denies the parties' cross-Motions as to the issue of the learned professional exemption.

D. Liquidated Damages and Good Faith

The parties cross move for summary judgment as to the issue of good faith, which Defendants must show to avoid liquidated damages under the FLSA. “An award of liquidated damages under § 216(b) is mandatory unless the employer can show good faith and reasonable grounds for believing that it was not in violation of the FLSA.” Braswell v. City of El Dorado, 187 F.3d 954, 957 (8th Cir. 1999). Employers have a limited defense to liquidated damages under the FLSA, which is that “if the employer shows to the satisfaction of the court” that its conduct was reasonable and in good faith, “the court may, in its sound discretion,” reduce liquidated damages or remove them entirely. 29 U.S.C. § 260. “To carry his burden, a defendant employer must show that he took affirmative steps to ascertain the Act’s requirements, but nonetheless, violated its provisions.” Chao v. Barbeque Ventures, LLC, 547 F.3d 938, 942 (8th Cir. 2008) (quoting Martin v. Cooper Elec. Supply Co., 940 F.2d 896, 908 (3d Cir. 1991)). “Eighth Circuit case law indicates that establishing subjective good faith requires particularized evidence of the employer’s actual attempts to determine its legal obligations.” Johnson v. N. Mem’l Health Care, Civ.

No. 23-1780, 2026 WL 657268, at *4 (D. Minn. Mar. 9, 2026) (Nelson, J.). “Lack of knowledge is not sufficient to establish good faith.” Chao, 547 F.3d at 942.

Meridian has always classified Case Managers as exempt employees. (Dep. of Stephen Hage (Docket No. 79) at 125:25-127:15.) Meridian leadership did not think it “seem[ed] necessary” to take any steps to ensure that employees were classified under the FLSA, because classifying Case Managers as exempt is “consistent with others throughout the industry,” including other counties and other businesses. (Id. at 135:16-136:1; Decl. of Leann Thompson (Docket No. 114) ¶¶5-7.) Indeed, “every Minnesota county maintains[] that [Case Managers] are salaried [i.e., exempt] employees.” (Hage Dep. at 128:16-21.) Meridian’s executive administrator, Leann Thompson, has led the Case Management department for more than 30 years. (Thompson Decl. ¶¶ 1, 3.) Over that time, Thompspon and other leaders at Meridian “have reviewed industry publications, attended conferences, and received human resources updates,” which have not “ever caused Meridian to believe that its classification of case managers as exempt was improper.” (Id. ¶ 4.)

It bears repeating that Plaintiffs have not demonstrated any liability under the FLSA or the MFLSA. Based on the record before the Court as to the issue of good faith, material facts remain in dispute as to whether Defendants acted reasonably and in good faith and took sufficient affirmative steps, to determine whether the exemption applies to case managers. Thus, the Court denies both parties’ Motions as to the issue of good faith.

E. Statute of Limitations and Willfulness

Defendants move for summary judgment as to the issue of willfulness. The FLSA and MFLSA each have a two-year statute of limitations, which may be extended to three

years if the plaintiff establishes that the employer's violation was "willful." See 29 U.S.C. § 255(a); Minn. Stat. § 541.07(5). Willfulness can be established by demonstrating that the employer "either knew or showed reckless disregard for the matter of whether its conduct was prohibited by statute." McLaughlin v. Richland Shoe Co., 486 U.S. 128, 133 (1988).

Plaintiffs argue that Defendants should have done more to determine its obligations under the FLSA and the MFLSA. For example, Plaintiffs contend that Defendants should have had an attorney determine whether the exemption is warranted for Case Managers. Defendants produce no evidence that such an evaluation occurred. However, "an employer's failure to seek the advice of counsel does not necessarily prove recklessness." Hanger v. Lake Cnty., 390 F.3d 579, 584 (8th Cir. 2004). Plaintiffs point to no evidence showing that Meridian knew or recklessly disregarded information leading to the conclusion that its Case Managers should not have been classified as exempt. Defendants are entitled to summary judgment as to willfulness.

F. Defendants' Status as Joint Employers

Plaintiffs also move for summary judgment as to Orion and Hage's status as joint employers with Meridian. Under the FLSA, the term "employer" is defined as "any person acting directly or indirectly in the interest of an employer in relation to an employee[.]" 29 U.S.C. § 203(d). An "employee" is defined as "any individual employed by an employer." Id. § 203(e)(1). The FLSA and MFLSA contemplate situations, as alleged here, in which an employee may be employed by more than one employer, i.e., joint employers. To assess the potential existence of a joint employer relationship, the court

considers the whether the alleged employer: “(1) had the power to hire and fire the employees; (2) supervised and controlled employee work schedules or conditions of employment; (3) determined the rate and method of payment; and (4) maintained employment records.” Padilla v. Caliper Bldg. Sys., LLC, Civ. No. 20-658, 2020 WL 5629837, at *3 (D. Minn. Sept. 21, 2020) (Nelson, J.) (quoting Catani v. Chiodi, Civ. No. 00-1559, 2001 WL 920025, at *6 (Frank J.)). The Court looks to the totality of the circumstances, as no factor is determinative of the employer relationship. Catani, at *6. The Court first addresses Orion’s potential status as a joint employer.

1. Power to Hire and Fire

“The law requires the ‘power’ to hire and fire and not simply a ministerial connection or overlap in employment processes.” Barth v. Border Foods, Inc., Civ. No. 10-305 (PAM/JJG), 2012 WL 12895688, at *4 (D. Minn. Mar. 19, 2012) (Magnuson, J.) (citation omitted). Orion functions as a “management company” for Meridian and another company, providing outside human resources and finance departments. (Hage Dep. at 15:10-17.) Since 1999, Stephen Hage has served as the Chief Administrative Officer for Orion Associates. (Id. at 14:4-20.)

Hage testified that Meridian and Orion work together for hiring and terminating employees—Orion creates job postings and initially screens candidates whom Orion passes along to Meridian, which conducts interviews and makes hiring decisions. (Id. at 18:7-18, 53:3-14.) Orion’s human resources team “formally executes” the decision to hire a candidate, which means merely handling “the paperwork.” (Id. at 17:12-23, 18:7-15.) Similarly, “the impetus for a termination” starts with Meridian’s case management team

and Orion's human resources department "formally executes it." (Id. at 17:14-20.) Under these circumstances, Plaintiffs have failed to show anything more than a ministerial connection between Meridian to Orion. This factor thus weighs in favor of Defendants.

2. Supervision and Control

Meridian and Orion jointly develop personnel policies and update Meridian's employee handbook. (Id. at 17:24-18:2; 22:13-20.) But Case Managers were supervised by Meridian employees and reviewed by Meridian management. (Id. at 52:17-24, 146:9-15.) Case Managers' work is dictated by the contracts with the various agencies, DHS waiver programs, and client-directed service models, and Meridian is responsible for ensuring that the contracts' terms are met. (Id. at 146:5-6.) Meridian also initiates and documents disciplinary decisions. (Id. at 17:12-20, 27:3-13.)

In contrast, the record shows that neither Orion nor Hage supervised or controlled Plaintiffs' work schedules or conditions of their employment. (Id. at 16:13-18, 18:19-22, 28:15-17.) This factor also weighs in Defendants' favor.

3. Payment and Employment Records

Orion maintains payroll records and wage plans, (id. at 18:19-21, 28:7-19), but the record is silent as to which organization determined individual employees' compensation. But Plaintiffs fail to demonstrate that these tasks are anything more than outsourced administrative duties. As such, the totality of the circumstances does not support a finding that Orion jointly employed Plaintiffs with Meridian.

4. Hage's Status

Plaintiffs request that the Court determine that Hage is a joint employer is even more tenuous. To prepare to serve as Meridian's Rule 30(b)(6) witness, he met with Meridian leadership to learn "basic information" about the role of a Case Manager. (*Id.* at 11:14-13:3.) He does not regularly interact with Case Managers, manage or supervise their performance, and he was unaware as to whether Case Managers' main job duties have changed since 2021. (*Id.* at 19:18-21, 56:20-25, 69:10-14, 103:5-17.) He does not determine which individuals to hire as Case Managers. (*Id.* at 18:7-15, 24:7-9.) Meridian leadership is entirely responsible for those tasks and decisions.

Here again, the Court cannot conclude that Hage employed Plaintiffs. Therefore, Plaintiff's Motion is denied as to Defendants' status as joint employers.

G. Payment of Wages Act Claim

Finally, Defendants argue that even if Plaintiffs are due unpaid overtime, the Court should dismiss the claim because they failed to plead or prove that they made a written demand for payment as required by Minn. Stat. § 181.13-14. Plaintiffs contend that a complaint can itself serve as a written demand under the statute but fail to point to any authority in support. The Minnesota Supreme Court has made clear that a demand for unpaid wages must be made before commencing a lawsuit. Chatfield v. Henderson, 90 N.W.2d 227, 232 (Minn. 1958) ("Until there is a demand as required by the statute, after resignation or discharge, the statutory provisions have no application. There is not one word of testimony that [Plaintiff] made a demand after his discharge or resignation until this action was started. It seems clear to us that there has been no compliance with the

statute”); see Barger v. BlueSky TelePsych, LLC, Civ. No. 22-2972, 2023 WL 3571939, at *3 (D. Minn. May 19, 2023) (Frank. J.) (“Because Barger did not make a demand for unpaid wages prior to the commencement of this lawsuit, the Court must dismiss this claim.”). Plaintiffs provide no evidence that such a demand was made before this lawsuit was filed. Therefore, the Court grants Defendants’ Motion as to this claim and dismisses Plaintiffs’ Minnesota Payment of Wages Act claim.

CONCLUSION

Accordingly, **IT IS HEREBY ORDERED that:**

1. Defendants’ Motion for Summary Judgment and Decertification (Docket No. 111) is **GRANTED in part** as to decertifying the FLSA collective, limiting the statute of limitations to two years, and dismissing Plaintiff’s Payment of Wages Act Claim, **and otherwise DENIED in part;**
2. Plaintiff’s Payment of Wages Act Claim is **DISMISSED with prejudice;**
3. Plaintiffs’ Motion to Certify the Rule 23 Class (Docket No. 115) is **DENIED;**
4. Plaintiffs’ Motion for Partial Summary Judgment (Docket No. 125) is **DENIED;** and
5. Defendants Orion Associates Inc. and Stephen Hage are **DISMISSED with prejudice.**

Dated: October 15, 2026

s/ Paul A. Magnuson

Paul A. Magnuson
United States District Court Judge