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

**STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1684**

Jay D. Demars,
Relator,

vs.

Renegade Truck Equipment, Inc.,
Respondent,

Department of Employment and Economic Development,
Respondent.

**Filed July 6, 2026
Affirmed
Halbrooks, Judge***

Department of Employment and Economic Development
File No. 51687755-3

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Renegade Truck Equipment, Inc., Richmond, Minnesota (respondent employer)

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Considered and decided by Ede, Presiding Judge; Bentley, Judge; and Halbrooks,
Judge.

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to
Minn. Const. art. VI, § 10.

NONPRECEDENTIAL OPINION

HALBROOKS, Judge

Relator challenges the decision of an unemployment-law judge (ULJ) that he is ineligible for unemployment benefits because he was discharged for misconduct, arguing that, as a matter of law, his conduct did not constitute employment misconduct. We affirm.

FACTS

The following facts derive from testimony and exhibits presented at a Minnesota Department of Employment and Economic Development (DEED) hearing before the ULJ.

Relator Jay D. Demars was employed as a sales coordinator by respondent Renegade Truck Equipment, Inc. from May 2024 until April 2025. Renegade is owned and operated by husband, C.L., and wife, K.L. K.L. is the president of the company, and C.L. is the secretary. Demars's position as a sales coordinator involved driving to make sales calls to customers and office work. He reported to and worked with both K.L. and C.L.

When Demars began working at Renegade, he attended a sales meeting at which he received an agenda spelling out his employment expectations, including that "Fridays are to be utilized to schedule/plan prospects for the following week at the office," and that "[t]his would be an in-office workday." Demars was required to sign that agenda and the employee handbook, which included policies addressing insubordination.

According to K.L., Demars consistently failed to follow the Friday in-office requirement throughout his employment. Because of that failure, Demars received additional instructions on the policy at another sales meeting on February 21, 2025. The

agenda from that meeting included the statement, “In-office days effective 02/24/25.” On his copy of that agenda, Demars handwrote a note relating to that statement saying, “trying again[—]would not sign[—]we had agreement when hired,” suggesting that Renegade had made multiple attempts to get him to come into the office on Fridays. The topic was introduced again at a sales meeting on March 31, 2025. Different versions of the agenda from that meeting included statements saying “Fridays – in office day. . . . This would be an in-office workday from 8-4:30” and “Road/Travel days are Monday through Thursday” and “[m]ay consist of some home office time.” Two other versions of the agenda included notes stating that, “In-office days were to be in effect as of 02/24/25. . . . They continue to be dismissed. . . . There is not a ‘work-from-home’ option. . . . If you aren’t on a full travel day, you are required to be in the office during business hours.”

During his employment, Demars reportedly engaged in “derogatory and demeaning” behavior toward K.L. When communicating with C.L., Demars would often refer to K.L. as “the wife.” Demars texted C.L. that he would “prefer to meet with just you,” and not K.L. any longer, then separately texted C.L. again that, “[t]here is no need for me to talk to [K.L.] anymore. I ca[n] [t]alk to you. . . . I don’t need my ass rode for doing a good job.”

In a phone call shortly before Demars was discharged, K.L. asked Demars about his work for that day and Demars responded by raising his voice and saying, “Look at the damn thing, I have been working all morning. . . . I just—I don’t know if I can handle this anymore. Cause it is just ridiculous the way you ride my ass[.]” K.L. answered, “Because

it is my job[.]” Demars replied, “To ride my ass?” K.L. affirmed, “It is my job to ride you’re ass and everybody’s ass in this place.”

Demars was discharged from Renegade on April 7, 2025. Per the employee termination notice, Demars was discharged because of his “insubordination,” including his disregard of “multiple requests to report to the office on Fridays,” his “[d]erogatory and demeaning comments made towards management,” and “openly disagreeing with management decisions . . . creating a hostile work environment [in] a direct violation of the Company policies and handbook.”

After he was discharged, Demars sought unemployment benefits. DEED determined that Demars was ineligible for benefits because he was discharged for employment misconduct. Demars appealed, and a hearing was held before a ULJ. Demars provided the ULJ with exhibits before the hearing including copies of sales meeting agendas, a recording of the phone call with K.L., text and email communications, and other documents from his time employed with Renegade.

At the hearing, Demars, K.L, and C.L. all testified. When discussing the expectation of working from the office on Fridays, Demars testified that he understood the in-office-day language from the May 7, 2024 sales meeting agenda to refer to a day working in his home office. When the ULJ asked whether the expectation on Monday through Thursday was that he would be working from his home office when he was not in the field, he answered in the affirmative. The ULJ then asked whether it was fair to say that talking about Fridays in that way seemed to be “distinguishing [it] from the other days of the week” and Demars responded, “Yes[.]” He added that it “[w]as something [they] agreed on . . .

when [he] was hired that the in-office working on Fridays was in my office at home.” When the ULJ asked whether Demars knew as of the February 21, 2025 sales meeting that they wanted him to physically be in Renegade’s office on Fridays, he said, “No.” He testified that he did not know that he was expected to work from the Renegade office until the March 31, 2025 meeting.

The parties also addressed Demars’s alleged “derogatory and demeaning” treatment of K.L. The ULJ asked Demars whether his communications with K.L. were different from those of other employees, and Demars answered, “Um, no.” However, he also testified that he “wouldn’t know what kind of communications [she] had with others.” The ULJ also played several minutes of the recorded phone call between Demars and K.L. After playing the recording, the ULJ asked K.L. whether Demars had ever communicated in a similar manner in person to her before, to which she testified that “pretty much every time [she] would attend the meeting, and [she] would bring up suggestions or bring up what the expectations were, it was this type of behavior exhibited from [Demars].”

The ULJ issued its findings of fact and decision, determining that Demars was terminated for employment misconduct. The ULJ found that Demars was terminated both “for failing to follow the directive that he work in the office on Fridays, as well as for the way he communicated about [K.L.] and with [K.L.]” The ULJ found not credible Demars’s testimony that “he did not know he needed to work at the employer’s office on Fridays until the March 31, 2025 sales meeting,” citing the language about in-office Fridays from the May 7, 2024, and February 21, 2025 meeting agendas. The ULJ concluded that Renegade had a reasonable expectation that “Demars would follow its directives about

working in the office” and that “Demars intentionally chose to disregard a clear expectation for him to work at the employer’s office on Fridays, which is serious because it amounts to insubordination.”

Separately, the ULJ found that Renegade had a reasonable expectation that Demars “would communicate professionally and respectfully” but that he instead “intentionally communicated in a seriously unprofessional and disrespectful manner” with and about K.L.

Demars filed a request for reconsideration and submitted additional evidence. The ULJ affirmed the original decision, stating that Demars failed to show that the new facts and documents would likely change the outcome of the decision and that Demars did not show that any of the evidence submitted previously was likely false. The ULJ expressed that the evidence submitted prior to the hearing by Demars alone was enough to support the determination of employment misconduct.

This certiorari appeal followed.

DECISION

When reviewing a ULJ’s decision, appellate courts may affirm, remand for further proceedings, or reverse or modify the decision if the substantial rights of the relator have been prejudiced because the findings, inferences, conclusion, or decision are, as relevant here, affected by an error of law or are unsupported by substantial evidence. Minn. Stat. § 268.105, subd. 7(d) (2024). We review the ULJ’s factual findings in the light most favorable to the decision and defer to the ULJ’s credibility determinations. *Peterson v. Nw. Airlines Inc.*, 753 N.W.2d 771, 774 (Minn. App. 2008), *rev. denied* (Minn. Oct. 1, 2008). We “will not disturb the ULJ’s factual findings when the evidence substantially

sustains them.” *Id.* “Whether a particular act constitutes disqualifying conduct is a question of law we review de novo.” *Wilson v. Mortg. Res. Ctr., Inc.*, 888 N.W.2d 452, 460 (Minn. 2016).

An individual is ineligible for unemployment benefits if they are discharged because of employment misconduct. Minn. Stat. § 268.095, subd. 4(1) (2024). Employment misconduct is “any intentional, negligent, or indifferent conduct, on the job or off the job, that is a serious violation of the standards of behavior the employer has the right to reasonably expect of the employee.” Minn. Stat. § 268.095, subd. 6(a) (2024).

Demars asserts that the ULJ erred by determining that he was discharged for employment misconduct because his failure to work in the company office on Fridays fell within the good-faith error in judgment exception to the statute and his communications with and about the company president, K.L., were not serious violations of Renegade’s standards.¹

I. Demars’s conduct does not fall under the good-faith error in judgment exception to the definition of employment misconduct.

First, Demars argues that the district court erred by concluding that he committed employment misconduct because his belief that he was able to work from home on Fridays falls within the good-faith error in judgment exception under Minn. Stat. § 268.095,

¹ In his brief, Demars also argues that the ULJ should have applied the absence-due-to-illness exception under Minn. Stat. § 268.095, subd. 6(b)(7) (2024). Because the ULJ’s decision was not based on Demars’s lack of attendance on the final Friday of his employment when Demars was allegedly ill, but rather on his failing to work in-office on Fridays throughout his employment and his unprofessional communications to and about K.L., we do not reach this argument.

subd. 6(b)(6) (2024). The statute sets out that employment misconduct does not include “good faith errors in judgment if judgment was required.” Minn. Stat. § 268.095, subd. 6(b)(6).

The ULJ rejected as not credible Demars’s purported belief that working from his home office fulfilled his Friday in-office obligation and his testimony that “he did not know he needed to work at the employer’s office on Fridays until the March 31, 2025 sales meeting.” Demars does not challenge that finding. And in our review, we “give[] deference to the credibility determinations made by the ULJ.” *Peterson*, 753 N.W.2d at 774. Because we give deference to the ULJ’s finding that Demars did not actually believe that he was excused from working from the office on Fridays—in other words, he lacked the actual good-faith error in judgment—he cannot invoke the good-faith error in judgment exception.

Moreover, the good-faith error in judgment exception applies only when the employee is, in fact, required to use their judgment. Minn. Stat. § 268.095, subd. 6(b)(6). We have established that, when there is a company policy, no judgment is required by the employee. *See Potter v. N. Empire Pizza*, 805 N.W.2d 872, 877 (Minn. App. 2011), *rev. denied* (Minn. Nov. 15, 2011) (concluding that the employee’s conduct did not fit within the good-faith exception because he knew that his conduct violated an employer policy and no judgment is required to follow a policy). Indeed, the Minnesota Supreme Court has underscored that an employer has the right to reasonably expect its employees to abide by its “reasonable policies and requests” and that “an employee’s decision to violate knowingly a reasonable policy of the employer is misconduct.” *Schmidgall v. FilmTec*

Corp., 644 N.W.2d 801, 804, 806 (Minn. 2002). Here, the ULJ found that there was an established policy that employees had to work in the office on Fridays. Demars knew of that policy and was not required to exercise any judgment related to that requirement and, therefore, the good-faith error in judgment exception does not apply. We conclude that the ULJ did not err in determining that Demars’s refusal to work in-office on Fridays was employment misconduct.

II. The ULJ did not err by determining that Demars’s behavior toward K.L. constituted a serious violation of expected standards of behavior.

Second, Demars argues that the ULJ erred by concluding that his communications with K.L. seriously violated Renegade’s standards of behavior. He claims that the recorded phone call was not employment misconduct because it amounted to “an isolated hotheaded incident.” He also asserts that “nothing in the record suggests that [his] job was governed by strict norms of formality and etiquette, such that occasionally expressing frustration with salty language amounts to ‘insubordination.’”

Reaching Demars’s “isolated hotheaded incident” argument, we do not find it persuasive. Although Minnesota law once recognized an exception to employment misconduct for an isolated hotheaded incident, that exception is no longer available. *Potter*, 805 N.W.2d at 875-76. Instead, Minn. Stat. § 268.095, subd. 6(d) (2024), directs ULJs only to consider as “an important fact” whether conduct was a single incident. And the record here demonstrates that there was more than one incident. The ULJ found that Demars communicated about and to K.L. in a disrespectful manner not only during the

phone call, but also in separate written communications to C.L. Thus, we identify no related error by the ULJ.

Demars also contends that his actions did not amount to a “serious violation of the standards of behavior the employer has the right to reasonably expect of the employee.” Minn. Stat. § 268.095, subd. 6(a). Looking first at the phone conversation, as DEED correctly identifies, this court has stated that employers have “a right to expect [employees] to refrain from uttering unprovoked obscenities at management personnel.” *Tester v. Jefferson Lines*, 358 N.W.2d 143, 145 (Minn. App. 1984), *rev. denied* (Minn. Mar. 13, 1985).² Here, Demars and K.L. had been engaged in several minutes of back-and-forth conversation in which both parties were frustrated. However, Demars was the one to introduce obscenities into the conversation after K.L. asked about his work for the day. As the president of the company, it was not unreasonable or escalatory for K.L. to ask Demars about his work. Thus, we conclude that Demars’s unprovoked obscenities constituted a serious violation of Renegade’s reasonable expectations of its employees and employment misconduct. *Id.* at 145.

Even if Demars’s language on the phone call alone did not constitute serious misconduct, that communication was not the only reason for his termination. The ULJ also found that Demars engaged in unprofessional communication at other times by referring

² This case applied a former version of the statute, which existed when the isolated hot-headed incident exception still applied. *Tester*, 358 N.W.2d at 145. The language of the statute held that an individual was discharged for misconduct if they engaged in “misconduct which interferes with and adversely affects his employment.” Minn. Stat. § 268.09, subd. 1(2) (Supp. 1983).

to K.L. as “the wife” and expressing to C.L. that he did not wish to speak or work with her. Those communications violated Renegade’s insubordination policy, which requires employees to treat supervisors with “mutual respect and common courtesy” and to “take instruction from supervisors or other persons of authority.” Demars knew of that policy because he signed the handbook when he started the job. Knowingly violating an employer’s reasonable policy constitutes misconduct, especially when such conduct involves multiple violations and warnings or progressive discipline. *See Schmidgall*, 644 N.W.2d at 806-07 (stating that policy violations amount to misconduct particularly “when there are multiple violations of the same rule involving warnings or progressive discipline”).

To the extent that Demars argues that his conduct was not a serious violation of Renegade’s expectations because it aligned with that of other employees, he provided no evidence in the record to that effect. And regardless, this court has held that other employees’ failure to abide by the employer’s rules is not relevant to the question of whether the relator-employee engaged in employment misconduct. *Sivertson v. Sims Sec., Inc.*, 390 N.W.2d 868, 871 (Minn. App. 1986), *rev. denied* (Minn. Aug. 20, 1986). So, even if other employees engaged in a similar manner of unprofessional conduct when communicating with and about K.L., that does not excuse Demars’s misconduct.

We conclude that Demars committed two different forms of employment misconduct and that he was discharged from Renegade on that basis. Because Demars was

discharged for employment misconduct, the ULJ did not err in determining that he is ineligible for unemployment benefits. Minn. Stat. § 268.095, subd. 4(1).

Affirmed.