

*This opinion is nonprecedential except as provided by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
A25-1687**

Vyacheslav Mostov,
Relator,

vs.

Nextten Stauer, LLC,
Respondent,

Department of Employment and Economic Development,
Respondent.

**Filed June 29, 2026
Affirmed
Bentley, Judge**

Department of Employment and Economic Development
File No. 51712653-3

Vyacheslav Mostov, Champlin, Minnesota (self-represented relator)

Nextten Stauer, LLC, Burnsville, Minnesota (respondent employer)

Melannie Markham, Rebecca Wittmer, Keri A. Phillips, Katrina Gulstad, Minnesota
Department of Employment and Economic Development, St. Paul, Minnesota (for
respondent department)

Considered and decided by Ross, Presiding Judge; Cochran, Judge; and Bentley,
Judge.

NONPRECEDENTIAL OPINION

BENTLEY, Judge

In this certiorari appeal, relator seeks review of a decision by an unemployment-law judge (ULJ) determining that he is ineligible to receive unemployment benefits after he quit his employment. Relator argues that he quit for a good reason caused by his employer and is entitled to benefits under a statutory exception. He also argues that the ULJ's decision was unsupported by substantial evidence, and he challenges the ULJ's order affirming the decision as arbitrary or capricious and an abuse of discretion. Because we detect no error or abuse of discretion in either the decision or order of affirmation, we affirm.

FACTS

Relator Vyacheslav Mostov quit his employment as a sales representative with respondent Nextten Stauer, LLC (Stauer) in April 2025. Stauer is a wholesale distributor of jewelry, watches, and other items through catalogs. Mostov's role required helping customers place orders over the phone and selling an annual membership program and other products to earn commission.

Mostov applied for unemployment benefits through respondent Minnesota Department of Employment and Economic Development (DEED). DEED determined that Mostov was eligible to receive benefits. Stauer appealed that determination.

An evidentiary hearing was held on June 23, 2025. Mostov, his supervisor at Stauer, and a Stauer human-resources officer testified. Mostov explained that he quit his employment because Stauer "was scheduled to implement some formal changes . . . to

compensation performance expectations and business practices” that he had “ethical concerns about” and “put [him] in direct conflict with [his] professional standards and integrity.” Mostov described the changes as including an increased productivity requirement and the removal of sales tools that made it “a lot more . . . difficult” for sales representatives to do their work. Mostov also explained that Stauer was beginning to restrict discounts or offers that could be combined on a single purchase—he believed this was a “misleading” business practice because offers sent to customers did not always specify that they could not be combined with other discounts. Mostov had expressed his concerns to his supervisors, but no changes were made to the policies.

Mostov’s supervisor explained that the policy changes were part of a yearly compensation plan review. With respect to discounts, the supervisor testified that Stauer distributes specific “solo” catalogs that are “so discounted that [they] do not allow an additional discount” to be used for the advertised items. The supervisor emphasized that the catalogs contained disclaimers explaining that policy and read the following disclaimer into the record: “\$19 promotion cannot be substituted for or combined with any other Stauer promotional offer code . . . or discount.”

Mostov refuted the representativeness of that disclaimer language and argued that “there’s only one or two disclaimers that say . . . no discount to be used” and other catalogs instead stated that discounts cannot be combined with other “promotional offers.” Mostov asserted that the absence of the word “discount” in some disclaimers was misleading because customers who purchased Stauer’s annual membership were told that the discounts

they received could be used on “whatever we send them” but instead were “very difficult to use.”

The ULJ’s June 2025 decision included a finding that “Mostov quit the employment . . . because he did not like the changes Stauer made to the compensation structure.” The ULJ found that “[p]arts of Mostov’s testimony were not credible because they were not plausible.” The ULJ supported this finding with an example:

For instance, Mostov testified that he quit in part due to “unethical business practices.” He testified that he thought the smaller catalogue misled customers regarding discounts the customers could use. He testified that the fine print on the catalogue did not include the word “discount.” This testimony was contradicted by [his supervisor], who read the disclaimer on the catalogue, which included the word “discount,” into the record.

Based on these findings, the ULJ reasoned that the compensation-structure changes “were not sufficiently adverse to compel an average, reasonable worker to quit” and therefore Mostov quit his employment “for reasons that do not meet any of the statutory exceptions to ineligibility based on a quit.” The ULJ concluded that Mostov was ineligible for unemployment benefits and ordered him to repay \$8,226.00 in benefit payments.

Mostov requested reconsideration. In his request, Mostov argued that the ULJ misapplied the reasonable-worker standard, made erroneous factual findings and credibility determinations, and mischaracterized his reason for quitting. Mostov also maintained that Stauer’s discount practices were “unethical.” He specifically alleged that his supervisor’s testimony about the disclaimer language was false, and he provided two excerpts from Stauer catalogs with disclaimers that did not include the word “discount.”

The ULJ affirmed the decision. The ULJ reasoned that, with respect to the catalog excerpts Mostov provided, it “is unclear when these pages were printed, or from which catalogue they were taken,” and so the pages “do not prove that the employer provided false or misleading testimony.” The ULJ further determined that the decision’s credibility determinations and factual findings were supported by the record, and the correct legal standard was applied. Thus, the ULJ concluded that Mostov was not entitled to an additional evidentiary hearing because he did not present any new facts that would “likely change the outcome of the decision” and he did not show “that evidence submitted at the hearing was likely false.”

Mostov appeals by writ of certiorari.

DECISION

Mostov challenges three aspects of the ULJ’s decision and order of affirmation. First, he argues that the ULJ erred in determining that he did not quit for a good reason caused by his employer. Second, Mostov argues that the ULJ’s decision was unsupported by substantial evidence. And third, Mostov asserts that the ULJ’s order of affirmation was both arbitrary or capricious and an abuse of discretion.

When reviewing an appeal from a ULJ’s decision, this court may affirm the decision or remand for further proceedings, or we may reverse or modify that decision if the relator’s “substantial rights . . . may have been prejudiced” because the findings, inferences, conclusion, or decision were

- (1) in violation of constitutional provisions;
- (2) in excess of the statutory authority or jurisdiction of the department;

- (3) made upon unlawful procedure;
- (4) affected by other error of law;
- (5) unsupported by substantial evidence in view of the hearing record as submitted; or
- (6) arbitrary or capricious.

Minn. Stat. § 268.105, subd. 7(d) (2024). We review the ULJ’s determination of ineligibility de novo. *Fay v. Dep’t of Emp. & Econ. Dev.*, 860 N.W.2d 385, 387 (Minn. App. 2015). We review the factual findings “in the light most favorable to the ULJ’s decision,” and we “will rely on findings that are substantially supported by the record.” *Id.*

I

Mostov first asserts that the ULJ erred by not considering whether his asserted reason for quitting—Stauer’s allegedly unethical business practices—falls within the “good reason caused by the employer” exception to the general rule that an individual who quits is ineligible for unemployment benefits. *See* Minn. Stat. § 268.095, subds. 1 (general rule), 3(a) (exception) (2024).

Individuals who quit their employment are “ineligible for all unemployment benefits” unless a statutory exception applies. Minn. Stat. § 268.095, subd. 1. One exception applies when “the applicant quit the employment because of a good reason caused by the employer.” *Id.*, subd. 1(1). The statute further provides:

- (a) A good reason caused by the employer for quitting is a reason:
 - (1) that is directly related to the employment and for which the employer is responsible;
 - (2) that is adverse to the worker; and
 - (3) that would compel an average, reasonable worker to quit and become unemployed rather than remaining in the employment.

Minn. Stat. § 268.095, subd. 3(a).

This court reviews the legal conclusion of whether an employee quit with good reason attributable to the employer de novo. *Thao v. Command Ctr., Inc.*, 824 N.W.2d 1, 4 (Minn. App. 2012). The ULJ's conclusion "must be based on factual findings that have substantial evidentiary support." *Id.* We review "a ULJ's factual findings in the light most favorable to the decision and will not disturb them when they are supported by substantial evidence." *Id.*

The ULJ did not consider whether the alleged unethical business practices fall within the exception in section 268.095, subdivision 3(a), because the ULJ determined that Mostov did not quit for that reason. The ULJ found that "Mostov quit because he did not like the changes Stauer made to the compensation structure." The ULJ also found that Mostov's assertion that he quit because of Stauer's "unethical business practices" was not credible. We 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). As explained below, the credibility determinations and related factual findings are also supported by the record. We are not persuaded that the ULJ erred in its consideration of Mostov's assertion that he quit because of Stauer's business practices.

II

Mostov next argues that the ULJ's decision was unsupported by substantial evidence because the ULJ did not consider the record as a whole and disregarded evidence submitted on reconsideration.

This court may reverse or modify a ULJ’s decision if it is “unsupported by substantial evidence in view of the hearing record as submitted.” Minn. Stat. § 268.105, subd. 7(d)(5). “[S]ubstantial evidence is relevant evidence that a reasonable mind might accept as adequate to support a conclusion[.]” *In re NorthMet Project Permit to Mine Application*, 959 N.W.2d 731, 749 (Minn. 2021) (quotation omitted).

We understand Mostov’s substantial-evidence arguments as challenging both the ULJ’s factual findings in the decision about Stauer’s allegedly unethical business practices, and the ULJ’s failure to consider the catalog excerpts Mostov submitted with his request for reconsideration. Beginning with the factual findings, the ULJ quoted the discount disclaimer language verbatim from Mostov’s supervisor’s testimony in the decision’s findings of fact, and the ULJ then found that Mostov’s testimony about unethical business practices was not credible because the disclaimer language contradicted his claims. Because the supervisor’s testimony is record evidence that a reasonable mind would accept to support the conclusion that Stauer was not engaged in unethical business practices, we conclude that the ULJ’s findings here are supported by substantial evidence. *See id.*

Mostov also argues that the ULJ failed to consider the catalog excerpts that Mostov submitted with his request for reconsideration, and the ULJ therefore failed to “substantively evaluate[]” the “material documentary evidence.” But the catalog excerpts are not part of the “hearing record as submitted.” Minn. Stat. § 268.105, subd. 7(d)(5). Rather, when considering a request for reconsideration, the ULJ “must not consider any evidence that was not submitted at the hearing, except for purposes of determining whether to order an additional hearing.” Minn. Stat. § 268.105, subd. 2(c) (2024). The excerpts were

thus considered by the ULJ only for the limited purpose of determining whether to order an additional hearing and were not part of the evidentiary record. The ULJ's failure to consider the excerpts Mostov submitted beyond that limited purpose therefore does not reflect a failure to consider record evidence.

III

Mostov raises two challenges to the ULJ's order denying his request for reconsideration. First, Mostov argues that the order of affirmation was arbitrary or capricious because the ULJ "dismiss[ed]" the new evidence Mostov submitted in a "conclusory" way. Second, he contends that the ULJ's decision not to hold an additional evidentiary hearing was an abuse of discretion.

Arbitrary or Capricious

Mostov argues that the ULJ failed to evaluate whether Mostov showed that evidence offered at the hearing was likely false or whether further proceedings were necessary. Mostov further asserts that the ULJ "did not reconsider whether the newly submitted documentary evidence affected the analysis of [his] qualifying reason for quitting" and did not consider whether that evidence "altered the assessment of the totality of employer-created conditions under Minn. Stat. § 268.095, subd. 3(a)."

A ULJ's decision is arbitrary or capricious if it "(a) relied on factors not intended by the legislature; (b) entirely failed to consider an important aspect of the problem; (c) offered an explanation that runs counter to the evidence; or (d) the decision is so implausible that it could not be explained as a difference in view[.]" *Citizens Advocating Responsible Dev. v. Kandiyohi Cnty. Bd. of Comm'rs*, 713 N.W.2d 817, 832 (Minn. 2006).

The decision is not arbitrary or capricious if there is a “rational connection between the facts found and the choice made.” *In re Rev. of 2005 Ann. Automatic Adjustment of Charges*, 768 N.W.2d 112, 120 (Minn. 2009) (quotation omitted).

When considering a request for reconsideration, the ULJ “must order an additional hearing” if a party presents new evidence that:

- (1) would likely change the outcome of the decision and there was good cause for not having previously submitted that evidence; or
- (2) would show that the evidence that was submitted at the hearing was likely false and that the likely false evidence had an effect on the outcome of the decision.

Minn. Stat. § 268.105, subd. 2(c).

We are unpersuaded that the ULJ’s order was arbitrary or capricious. The ULJ acknowledged that Mostov submitted “pages from Stauer’s catalogues without the word ‘discount’ in the fine print,” but reasoned that “[i]t is unclear when these pages were printed, or from which catalogue they were taken.” And because “Mostov has not shown that either one of these pages was the same page the employer read into the record at the hearing,” the ULJ concluded that “these pages do not prove that the employer provided false or misleading testimony.” The ULJ considered the excerpts Mostov provided and gave a plausible explanation based on record evidence for why the excerpts did not contradict his supervisor’s testimony. *See Citizens Advoc. Responsible Dev.*, 713 N.W.2d at 832 (explaining arbitrary and capricious standard). Therefore, the ULJ’s conclusion that Mostov did not show that his supervisor’s testimony was likely false was not arbitrary or capricious.

Mostov also argues that it was arbitrary or capricious for the ULJ not to apply the reasonable-worker standard or assess whether the additional documents that Mostov provided “affected the analysis of [his] qualifying reason for quitting.” But this argument misunderstands the statutory standard for considering new evidence on reconsideration. Under Minnesota Statutes section 268.105, subdivision 2(c), the ULJ may consider only whether the applicant’s new evidence would “likely change the outcome of the decision” or show that evidence submitted during the hearing was “likely false.” The ULJ did not make an arbitrary or capricious decision by declining to revisit the eligibility analysis from the prior decision after determining that the statutory standard for considering new evidence was not met.

Decision to Not Hold an Additional Evidentiary Hearing

Mostov also briefly asserts that the ULJ’s decision, declining to order an additional hearing based on the new information he provided, was an abuse of discretion.

We generally defer to the ULJ’s decision not to hold an additional hearing. *Ywswf v. Teleplan Wireless Servs., Inc.*, 726 N.W.2d 525, 533 (Minn. App. 2007). “This court will not reverse a ULJ’s decision to deny an additional evidentiary hearing unless the decision constitutes an abuse of discretion.” *Kelly v. Ambassador Press, Inc.*, 792 N.W.2d 103, 104 (Minn. App. 2010). “An error of law can constitute an abuse of discretion.” *Id.*

We detect no abuse of discretion in the ULJ’s order. The ULJ applied Minnesota Statutes section 268.105, subdivision 2(c), in considering whether (1) Mostov showed that his employer’s testimony was likely false, (2) the ULJ misconstrued the reason that Mostov quit, and (3) the reasonable-worker standard was incorrectly applied. The ULJ explained

that the flyers Mostov submitted did not show that his employer provided false or misleading testimony, affirmed the decision's factual findings and credibility determinations, and stated the reasonable-worker standard and explained why Mostov's interpretation of that standard was incorrect. The ULJ then concluded that the new facts Mostov presented would not likely change the outcome of the decision and did not show that evidence submitted at the hearing was likely false. We discern no abuse of discretion.

Affirmed.