This opinion is nonprecedential except as provided by Minn.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
A26-0209**

Michael Nikiforakis,
Relator,

vs.

Twin Cities Motorcycles, LLC,
Respondent,

Department of Employment and Economic Development,
Respondent.

**Filed August 24, 2026
Affirmed
Ross, Judge**

Department of Employment and Economic Development
File No. 52122199-3

Michael Nikiforakis, Apple Valley, Minnesota (self-represented relator)

Twin Cities Motorcycles, LLC, Tulsa, Oklahoma (respondent employer)

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; Frisch, Chief Judge; and Kirk, Judge.*

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

NONPRECEDENTIAL OPINION

ROSS, Judge

The Minnesota Department of Employment and Economic Development denied Michael Nikiforakis's application for unemployment benefits after he quit his sales-associate position with an income amount that exceeded the maximum he could receive without facing a reduction in his Social Security disability benefits. An unemployment-law judge affirmed the department's denial after finding that Nikiforakis voluntarily quit his employment without good reason caused by his employer. We affirm in this *certiorari* appeal because substantial evidence supports that finding.

FACTS

Relator Michael Nikiforakis worked briefly as a parts-department sales associate at Twin Cities Motorcycles LLC (TCM) from May 2025 to August 2025, quit, and unsuccessfully applied to the Minnesota Department of Employment and Economic Development (DEED) for unemployment benefits. Nikiforakis appealed DEED's denial of benefits to an unemployment-law judge (ULJ), who conducted a hearing and made findings of fact that we summarize here.

Nikiforakis began work at TCM intending to suppress the amount of his pay, informing TCM that he wanted to avoid exceeding the income cap established for him by federal Social Security. Exceeding that cap would result in a penalty or reduce his Social Security disability benefits. To accommodate his income-limitation objective, TCM agreed to pay Nikiforakis a $16 hourly wage rather than pay him by commission and to schedule him to work no more than 24 hours weekly. The TCM parts sales manager informed him that TCM followed a pay structure with two monthly pay periods, from the first to the fifteenth and from the sixteenth to the end of the month. The manager also provided Nikiforakis with an employee handbook similarly explaining the structure.

Nikiforakis worked 46.37 hours in the first July 2025 pay period and 62.40 hours in the second, resulting in a gross income of $1,740.32 for the month. Nikiforakis sent his manager a text message on August 4 saying that his July income exceeded his cap of "$1,550 monthly," and he sent a letter two days later, resigning. The letter declared that when he was hired he had "made it clear that [he] could not earn beyond a certain dollar amount a month which [he] stated to be $1,500 gross." The letter also announced that his last day would be August 20. TCM discharged Nikiforakis effective August 14.

The ULJ concluded that Nikiforakis was entitled to no unemployment benefits except any amount he accrued between August 14 and August 20. The ULJ rested this conclusion on the findings that Nikiforakis quit his employment as of August 20, that TCM had scheduled him to work no more than the number of hours weekly that Nikiforakis requested when he began his employment, and that he did not quit because of a good reason caused by TCM.

Nikiforakis unsuccessfully asked the ULJ to reconsider the decision, and he now appeals to this court by *certiorari*.

DECISION

Nikiforakis bases his appeal on three unavailing arguments. He argues first that the ULJ's credibility findings are not supported by substantial evidence. He argues second that he quit because of a good reason caused by TCM. And he argues third that federal law compels reversing. We address each argument.

Nikiforakis appears to argue that the ULJ based the decision denying unemployment benefits on erroneous credibility findings about the details of his initial pay agreement with TCM. We may reverse a ULJ's decision if, among other grounds, it is not supported by substantial evidence. Minn. Stat. § 268.105, subd. 7(d)(5) (2024). The ULJ must set forth the reasons for crediting witness testimony if that testimony significantly affected the outcome. *Id.*, subd. 1a(a) (2024). The ULJ made the findings summarized above based on the documentary and testimonial evidence presented at the evidentiary hearing. The ULJ expressly found the testimony of a TCM employee credible, and Nikiforakis's testimony not credible, specifically as it regarded the details of the parties' initial discussions and agreement about the hours TCM would schedule Nikiforakis. We afford great deference to the ULJ's credibility findings and sustain them if the evidence supports them. *Skarhus v. Davanni's Inc.*, 721 N.W.2d 340, 344 (Minn. App. 2006). The ULJ explained in detail why the TCM witness's testimony was credible and why Nikiforakis's testimony was only partially credible. Among other things, the TCM witness's relevant testimony was corroborated by documentary evidence, including timecards, while Nikiforakis's testimony conflicted with it. We are satisfied that the record supports the ULJ's credibility findings.

We are also not persuaded to reverse by Nikiforakis's argument that he quit because of a good reason caused by TCM. An applicant is not disqualified from receiving unemployment benefits for having quit employment if he quit for a good reason caused by his employer. Minn. Stat. § 268.095, subd. 1(1) (2024). We review *de novo* whether his reason was a good one caused by his employer. *Krantz v. Loxtercamp Transp., Inc.*, 410 N.W.2d 24, 26 (Minn. App. 1987). He contends that TCM caused him to quit by not performing its obligations under their employment agreement. An employer's breach of an employment agreement may satisfy the good-reason requirement. *See Werner v. Med. Pros. LLC*, 782 N.W.2d 840, 842 (Minn. App. 2010), *rev. denied* (Minn. Aug. 10, 2010). The terms of an employment agreement may include oral promises if these promises conform to the principles of contract formation. *See Hayes v. K-Mart Corp.*, 665 N.W.2d 550, 553 (Minn. App. 2003). But the ULJ found that TCM's description of its agreement with Nikiforakis was accurate, and that Nikiforakis's was not. Because TCM did not breach the terms of their agreement, Nikiforakis cannot prevail based on the alleged breach.

Nikiforakis appears to argue that his appeal should succeed because federal Social Security law preempts state unemployment law. He maintains that because the salary cap on his receipt of disability benefits was established by federal law, the ULJ violated the United States Constitution's Supremacy Clause by declining his request for unemployment benefits under state law. The argument needs little discussion. The Supremacy Clause provides that federal law prevails over conflicting state law. U.S. Const. art. VI, cl. 2. The ULJ determined that Nikiforakis quit employment to avoid facing any reduction in his disability benefits. By quitting, Nikiforakis averted any conflict between his alleged entitlement to unemployment benefits under state law and his entitlement to disability benefits under federal law. These circumstances do not raise any Supremacy Clause concern.

Affirmed.