STATE OF MINNESOTA | DISTRICT COURT

COUNTY OF ANOKA | TENTH JUDICIAL DISTRICT

Mark Nie,

Plaintiff,

v.

Tolerance Masters, LLC and
North Cliff Corporation,

Defendants.

Court File No.: _________
Judge:

COMPLAINT AND JURY DEMAND

COMES NOW Plaintiff Mark Nie ("Plaintiff" or "Nie"), through counsel, for his Complaint against Defendants Tolerance Masters, LLC ("Tolerance Masters") and North Cliff Corporation ("North Cliff") (together, "Defendants"), and states and alleges as follows:

INTRODUCTION

1. This whistleblower retaliation lawsuit arises from serious violations of the law implicating public safety in commercial and military aviation.

2. Plaintiff Mark Nie is an experienced aerospace quality and engineering professional, formerly employed by joint employers Defendants Tolerance Masters, LLC and North Cliff Corporation.

3. Tolerance Masters is a contract manufacturer based in Circle Pines, Minnesota that specializes in ultra-precision machining of flight-safety-critical components and subassemblies for the Tier-1 commercial and military aerospace industries. Its products include ram air turbine blades, servo-actuation components, bearing-support assemblies, hydraulic-pump components, turbomachinery elements, vanes, rotors, and fuel-system parts, which it supplies to customers including Collins Aerospace, Eaton, and Pratt & Whitney.

4. In Tolerance Masters' own words, "We consistently deliver tolerances to +/- 50 millionths of an inch for parts ranging from hydraulic valve bodies to rotary components such as engine nozzles, regulator sleeves and turbine blades." To put that figure in perspective, 50 millionths of an inch is the equivalent of taking an average human hair and cutting it widthwise into 60 equal pieces.

5. Tolerances of this degree are not aspirational standards; they are functional survival requirements. These tolerances sit at the edge of metrology and are used only where fit, clearance, vibration, pressure sealing, thermal expansion margins, and load distribution are critical.

6. A deviation of 20 *millionths* of an inch can alter force distribution, create imbalance, affect sealing, and initiate a progression from accelerated stress and wear to cracking, seizure, pressure loss, and cascading failure. In layman's terms, planes dropping from the sky.

7. During the course of Nie's employment, Nie discovered that Defendants were shipping flight-critical, precision aerospace components without first (a) performing required dimensional measurements, (b) generating mandatory inspection records, and (c) verifying conformity customer specifications. In doing so, Defendants violated federal aviation regulations and the requirements of their customer contracts.

8. After raising in good faith his concerns to Defendants' senior leadership over these violations of regulatory law and contract, Plaintiff was told to not worry because they (*i.e.*, the senior leaders) were substituting old inspection data for production lots to create the appearance that required testing had been performed when, in fact, it had not. Defendants then submitted falsified inspection records to customers prior to shipment verifying that the flight-critical part met customer specifications.

9. One day after making his initial whistleblower report, Nie reiterated to Tolerance Masters' President his concerns over its falsification of inspection data, mindful of the clear public-safety dangers posed by such actions.

10. Instead of initiating an investigation, correcting the violations or warning customers of potentially disastrous implications caused by specification non-conformity, Defendants responded by abruptly terminating Nie's employment without warning, justification, or any legitimate performance-related reason.

11. Through their conduct in terminating Nie's employment, Defendants willfully and maliciously violated Minnesota's whistleblower protection law.

12. Plaintiff brings this action for damages and injunctive relief.

PARTIES

13. Plaintiff Nie is a Minnesota resident.

14. At all relevant times, Plaintiff was employed at Defendants' aerospace-manufacturing facility located at 4444 Ball Road NE, Circle Pines, Minnesota.

15. At all relevant times, Plaintiff was an "employee" within the meaning of the Minnesota Whistleblower Act, Minn. Stat. § 181.932 ("MWA").

16. Tolerance Masters is a Minnesota limited liability company with its principal place of business in Circle Pines, Minnesota.

17. North Cliff is a Wisconsin domestic business corporation headquartered in Berlin, Wisconsin.

18. Upon information and belief, Matt Wood is a member of Defendant Tolerance Masters and is listed as "Principal Owner" on Tolerance Masters' website. Wood is domiciled in Minnesota.

19. Defendants are employers within the meaning of the MWA.

20. At all relevant times, Defendants operated as an integrated enterprise and/or a joint employer under Minnesota law.

21. Factors establishing North Cliff and Tolerance Masters operated at all relevant times as an integrated enterprise include, but are not limited to, the following:

- Common ownership of North Cliff and Tolerance Masters

- Financial control by North Cliff of Tolerance Masters
- Managerial control by North Cliff of Tolerance Masters
- Operational control by North Cliff of Tolerance Masters.

22. According to the North Cliff website, Tolerance Masters joined North Cliff's portfolio of companies on August 30, 2024. North Cliff's stated investment criteria require majority ownership in all acquisitions.

23. North Cliff's acquisition of Tolerance Masters was effectuated through TM Equity Partners, Inc., a Minnesota corporation incorporated on August 14, 2024, two weeks before the Tolerance Masters conversion, with Wood listed as registered agent.

24. The current Minnesota Secretary of State filing for Tolerance Masters lists Cody Wickersheim, North Cliff's President and CEO, as both registered agent and manager of Tolerance Masters reflecting North Cliff's direct control over the company.

25. Examples of North Cliff's operational control over Tolerance Masters include authority over labor relations, major employment decisions, and strategic direction for both day-to-day operations and long-term initiatives.

26. Tolerance Masters' management expressly informed Plaintiff that North Cliff exercised final approval over all key employment matters for Tolerance Masters, including hiring, firing, discipline, organizational structure, job titles, and compensation, confirming that labor relations decisions, including those affecting Plaintiff, were centrally controlled by North Cliff.

27. While serving as North Cliff's President and CEO, Wickersheim provided direct oversight of Tolerance Masters' executive leadership at all relevant times.

28. Among other things, Wickersheim held recurring one-on-one meetings with Tolerance Masters executives, participated in Tolerance Masters' weekly leadership meetings, and was consulted before material decisions were finalized.

29. Wickersheim's direct involvement in Tolerance Masters' affairs ensured that major operational and employment decisions were subject to North Cliff's review and approval.

30. At all relevant times, Tolerance Masters' leadership submitted monthly updates and quarterly presentations to North Cliff's Board of Directors. Major strategic and operational actions, including Tolerance Masters' annual budget, capital expenditures and quarterly bonus allocations, required approval by North Cliff or its Board.

31. At all relevant times, North Cliff controlled and dominated Tolerance Masters' internal governance and employment-related practices. Examples of North Cliff's include:

- Vetoing Tolerance Masters' proposed organizational structures,
- Requiring revisions to Tolerance Masters' mission and values statements,

- Directing modifications to Tolerance Masters' employee handbook, down to the level of changing the term for Tolerance Masters' personnel from "employee" to "associate."

JURISDICTION AND VENUE

32. This Court has subject-matter jurisdiction pursuant to Minn. Stat. § 484.01 because the acts giving rise to this action involve Minnesota law, including MWA, and seeks remedies authorized by statute.

33. Because at least one member of Tolerance Masters is a citizen of Minnesota and because an LLC is a citizen of each state in which its members are citizens, Tolerance Masters is a Minnesota citizen for purposes of diversity jurisdiction. Accordingly, removal based on diversity jurisdiction is barred under 28 U.S.C. § 1441(b)(2), and, because Plaintiff is also a Minnesota citizen, complete diversity is absent under 28 U.S.C. § 1332.

34. This Court has personal jurisdiction over Defendants because Defendants regularly conduct business in Minnesota, and the causes of action arose from their conduct within the state.

35. Venue is proper in Anoka County under Minn. Stat. § 542.09 because the unlawful acts alleged herein occurred in Anoka County. The adverse employment actions, retaliatory decisions, and events giving rise to Plaintiff's claims occurred at Defendants' Circle Pines, Minnesota facility in Anoka County.

36. Tolerance Masters' principal place of business is located in Anoka County, and North Cliff directed or ratified the conduct at issue through its control of Tolerance Masters' operations in Anoka County.

FACTS

A. Tolerance Masters Company Profile

37. On its website Defendant Tolerance Masters states that it "is a Contract Manufacturer specializing in close tolerances of flight safety and critical performance machined parts and sub assemblies." It further states "[A]s a precision machining facility for Tier-1 commercial and military aircraft parts, engine and hydraulic components, Tolerance Masters, Inc. takes your need for ultra-precision and quality to the highest standard. We consistently deliver tolerances to +/- 50 millionths of an inch for parts ranging from hydraulic valve bodies to rotary components such as engine nozzles, regulator sleeves and turbine blades."

B. Defendants Recruit Plaintiff to Serve as in a Safety-Critical Role as Director of Engineering.

38. Plaintiff began his employment with Defendants as Tolerance Masters' Director of Engineering on May 19, 2025. In this senior leadership role, Plaintiff was responsible for engineering, inspection, and quality-system development with respect to high-precision aerospace components required by Defendants' commercial and military aviation customers.

38. Defendants recruited Plaintiff to this position based on his experience in dimensional inspection, quality systems, and regulatory compliance.

39. Defendants sought out Plaintiff specifically to overhaul and modernize Tolerance Masters' engineering, inspection, and aerospace-quality systems, and to ensure Tolerance Masters' adherence to mandatory regulatory obligations.

40. Plaintiff's hiring, job title, and compensation were subject to review and approval by North Cliff's leadership. During Plaintiff's first week of employment, Wickersheim visited the Tolerance Masters offices and changed Plaintiff's job title from "Director of Engineering" to "Director of Engineering Development." This unilateral change further demonstrated North Cliff's direct authority over Tolerance Masters' personnel structure and leadership hierarchy.

B. Defendants Expand Production Without Scaling Inspection Capacity.

41. Beginning in mid-2025, Defendants significantly increased production throughput by adding manufacturing personnel, new equipment, and advanced technologies.

42. The increase in output created a corresponding increase in the amount of dimensional inspection required before product could be released to customers.

43. Despite this expansion, Defendants did not scale the quality department to meet the increased inspection workload.

44. Plaintiff soon realized his department lacked sufficient personnel, adequate skill level, and necessary metrology equipment to perform required dimensional measurements.

45. As a result, throughout July, August, September, and October 2025, completed parts regularly accumulated awaiting measurement.

C. Plaintiff Repeatedly Warns Defendants' Leadership of Inspection Deficiencies, Which Go Unheeded.

46. From July 2025 through October 2025, Plaintiff repeatedly alerted Tolerance Masters' leadership that the quality department lacked the capacity to perform all required dimensional inspections.

47. Plaintiff raised these concerns during one-on-one meetings with Tolerance Masters' President Mike Ramirez ("Ramirez") and in weekly leadership meetings attended by Ramirez, Wood, and Director of Employee Development Ginae Phillipi ("Phillipi").

48. Beginning in August 2025, Plaintiff increased the urgency of his warnings during weekly leadership meetings, including those held on August 7, 14, and 21.

49. In these meetings, Plaintiff informed Ramirez, Wood, and Phillipi that the quality department remained unprepared for the inspection volume expected in the fourth quarter and that Tolerance Masters would be unable to release millions of dollars' worth of product without immediate staffing and equipment increases.

50. In response, Ramirez became visibly irritated with Plaintiff and dismissed the concerns, asserting he "had it handled."

51. Upon information and belief, Defendants' leadership failed to record Plaintiff's warnings in meeting minutes and took no meaningful corrective action.

D. Defendants Fail to Hire Qualified Inspection Personnel.

52. In September and October 2025, Defendants interviewed multiple candidates for the quality department but hired only two inexperienced, untrained employees who lacked the ability to perform hands-on dimensional measurements.

53. As a result, the inspection bottleneck persisted and worsened in the months leading up to October 2025.

54. This created the conditions that led directly to the missing inspection data and proposed reuse of prior measurement data that Plaintiff later discovered and reported as unlawful.

E. Plaintiff Learns Flight-Critical Parts Shipped Without Inspection and Defendants Admit Intent to Fabricate Compliance.

55. In October 2025, Plaintiff discovered that multiple work orders had no recorded dimensional-inspection data, despite customers such as Collins, Eaton, and Pratt & Whitney requiring such data be submitted and approved before shipment as a matter of contract.

56. Plaintiff noted that October 2025 shipments spiked sharply compared to other months, suggesting that parts were being rushed out without completing required inspection steps.

57. The affected components included ram air turbine blades, servo-actuation components, bearing-support assemblies, hydraulic-pump components, turbomachinery elements, vanes, rotors, and fuel-system parts.

58. The absence of inspection data had critical safety implications: Dimensional measurement is the only mechanism by which an aerospace manufacturer verifies that a part conforms to engineering tolerances.

59. Without performing dimensional inspection and generating traceable quality records, there is no way to determine whether a component is safe, usable, or dangerously defective.

60. Shipping parts without this verification constitutes a functional safety failure, not merely a paperwork error.

61. On October 23, 2025, Plaintiff verbally raised with Wood and Ramirez concerns that dimensional measurements and inspection data were missing for components with pending and upcoming shipments, and that substituting outdated or inapplicable data would result in falsified First Article Inspection Reports ("FAIR") submissions to customers prior to shipment.

62. In response, Wood stated, "We'll just use the old data," "Everything is the same anyway," "We've done this before," and "As long as nobody audits October, we'll be fine."

63. Wood's statements made it clear to Plaintiff that Defendants had previously reused outdated dimensional-inspection data on prior shipments of product.

64. Wood's statements also confirmed Defendants' intent to reuse outdated or inapplicable inspection data for shipments already made and future submissions to give the false appearance that required inspections had been completed.

65. Reusing prior data in the manner described by Wood eliminated the ability of quality engineers to identify nonconformities and created an "unknown system risk," because neither Tolerance Masters nor its customers could evaluate whether current parts actually met design tolerances.

66. Defendants intended to use this fabricated data in FAIR submissions to customers.

67. Such falsification violates federal aviation conformity requirements and misrepresents compliance to customers and regulators in violation of AS9100/AS9102 aerospace quality standards.

68. Plaintiff warned Defendants that substituting prior inspection data prevented detection of machining variation, tool wear, machine misalignment, thermal changes, and material defects, creating an unknown system risk in which neither

Tolerance Masters nor its customers could evaluate whether current parts actually met design tolerances.

69. Plaintiff further warned that downstream integrators rely on accurate dimensional data to ensure airworthiness, and that reusing prior data defeats the traceability and verification safeguards required by federal aviation regulations.

70. On October 24, 2025, Ramirez summoned Plaintiff to a second meeting during which Plaintiff reiterated his concerns.

71. Ramirez responded with visible irritation and hostility, appearing frustrated by Plaintiff's insistence that Defendants take his concerns seriously.

F. Plaintiff Discovers Violations of the Defense Priorities and Allocation Systems Ratings.

72. Additionally, in September 2025, Plaintiff became aware of serious failures in compliance with Defense Priorities and Allocations System ("DPAS") rated orders. Specifically, Plaintiff learned that Defendants had no priority systems whatsoever even though it accepted DPAS purchase orders and that, as a result, DO rated orders did not receive priority.

73. DPAS rated orders are U.S. Government orders that require priority in manufacturing and shipment because they involve national defense, emergency preparedness, or energy program use. The DPAS establishes procedures for the placement, acceptance, and performance of priority rated contracts and for the allocation

of materials, services, and facilities for approved programs. Acceptance of a DPAS rated purchase order by manufacturers such as Defendants requires that they comply with Defense Priorities and Allocations System, 15 CFR part 700.

74. These failures intersected. Defendants were both (i) mishandling rated orders and (ii) shipping or preparing to ship flight-critical parts without required inspection verification, while simultaneously resisting any reporting, containment, or corrective action that would interrupt production or trigger audit scrutiny.

75. Shortly after receiving a complaint from a DPAS rated customer about not receiving priority with an order that was over one year late, Plaintiff reported to Wood that the company was not compliant with DPAS regulations.

76. In response to Plaintiff's concerns, Wood admitted he knew that the company was not prioritizing DPAS as required but did not feel that the rated parts should take priority over any other customer's parts.

77. Plaintiff raised his concerns regarding these non-compliance issues in the September/October 2025 timeframe during weekly management team meetings.

78. On one occasion, Wood responded with, "Don't worry about it," "It will be fine," "It's no big deal," or words to that effect.

G. Defendants Conceal Nonconformances and Deliberately Avoid Mandatory Government Reporting.

79. Defendants manufactured and supplied components for government and/or defense-rated orders and contracts that incorporated mandatory quality and

reporting clauses, including FAR 52.246-26 (Reporting Nonconforming Items) and related DoD quality-assurance requirements.

80. Those clauses require contractors and subcontractors to report major or critical nonconformances, *i.e.*, defects or process failures that could reasonably be expected to create hazardous conditions, degrade safety, or jeopardize mission performance, and, in many instances, to report through channels such as GIDEP and/or directly to the contracting officer within specified timelines.

81. Shipping flight-critical aerospace components without required dimensional verification and then proposing to substitute prior inspection data constitutes a suspected critical nonconformance and a "quality escape" requiring immediate containment, corrective action, and mandatory reporting.

82. Upon information and belief, Defendants made no such report to any contracting officer, GIDEP, or other required reporting channel.

83. Contrariwise, Defendants' stated intent to conceal the issue, evidenced by Wood's directive that "as long as nobody audits October, we'll be fine," demonstrates deliberate avoidance of these mandatory obligations.

84. By terminating Plaintiff before any report was made, Defendants ensured that the nonconformances would remain concealed from the government customers whose contracts imposed the reporting duty.

H. Plaintiff Reported Regulatory Violations and Warned of Flight-Safety Consequences.

85. In making his reports on October 23 and 24, 2025, Plaintiff acted in good faith and expressly explained that Defendants' conduct constituted violations of mandatory federal regulations and customer contracts.

86. Indeed, the fraudulent conduct Plaintiff opposed implicated multiple federal laws and contractually incorporated industry standards, such as FAA Part 21's requirements to perform dimensional inspections, maintain calibration-controlled equipment, create and retain quality records, and prohibit release of components without verification of conformity; AS9100D and ISO 9001:2015 aerospace quality management standards; and DPAS requirements under 15 C.F.R. Part 700 for prioritizing rated defense orders.

87. Plaintiff's reports also implicated fraud on government and private customers.

88. Plaintiff further warned Defendants of the public-safety consequences of shipping unverified flight-critical components.

I. Defendants Retaliate by Terminating Plaintiff, Ensuring that Violations of Contract and Law Go Unremedied.

89. On November 5, 2025, less than two weeks after Plaintiff's protected disclosures, Defendants terminated Plaintiff without notice or warning. Plaintiff's

termination letter, signed by Ramirez, stated: "You are hereby terminated ... effective immediately." The letter provided no explanation or justification for the termination.

90. Upon information and belief, Wickersheim was consulted regarding the proposed action against Plaintiff before the decision was finalized.

91. Upon information and belief, because North Cliff required monthly reports, quarterly Board presentations, recurring executive updates, and review of material operational issues, North Cliff must have been aware of Plaintiff's protected reports before Plaintiff's termination.

92. Prior to his termination, Plaintiff had never been the subject of any employment discipline by Defendants, including coaching, verbal warnings, written warnings, or corrective action plans.

93. Prior to his termination, Plaintiff had received uniformly positive feedback from his supervisors concerning his dedication, loyalty, and work quality.

94. Just weeks prior to Plantiff's termination, Wood stated he was so pleased with Plaintiff's performance that he saw him "running" one of his companies.

95. By terminating Plaintiff, the only individual who identified and reported these safety violations, Defendants removed the final internal safeguard within Defendants' quality system.

96. Plaintiff's termination communicated to other employees that reporting flight-safety violations would be punished, ensuring that future nonconformities, missing measurements, or falsified records would remain unreported and undetected.

COUNT I

MINNESOTA WHISTLEBLOWER ACT (Minn. Stat. § 181.932)

97. Plaintiff realleges all preceding paragraphs.

98. Plaintiff engaged in protected activity under Minn. Stat. § 181.932 when he reported, in good faith, violations or suspected violations of law.

99. Plaintiff's protected reports directly implicated violations of FAA Part 21 requirements governing conformity verification, dimensional inspection, calibration control, and quality records retention for aerospace components. Plaintiff reasonably believed Defendants violated AS9100D and ISO 9001:2015 aerospace quality management standards by shipping flight-critical parts without required dimensional measurements and traceable inspection records.

100. Plaintiff reasonably believed Defendants violated DPAS requirements under 15 C.F.R. Part 700 by failing to establish priority systems for defense-rated orders and failing to give preferential treatment to rated government contracts.

101. Plaintiff's reports also identified violations of ITAR provisions, customer contract requirements, falsification of aerospace inspection data, fraud on government

and private customers, and public safety concerns involving flight-critical components manufactured to tolerances as tight as +/-0.00002 inches.

102. Defendants terminated Plaintiff on November 5, 2025, approximately two weeks of his protected whistleblowing reports made on October 23 and 24, 2025.

103. Defendants terminated Plaintiff in retaliation for his engaging in legally protected whistleblowing activities.

104. The temporal proximity between Plaintiff's protected reports and his termination establishes causation. The lack of any legitimate performance-based reason for termination, combined with Plaintiff's uniformly positive prior performance and complete absence of any disciplinary history, demonstrates that Defendants' stated reasons were pretextual and that the termination was motivated by Plaintiff's protected reports.

105. As a direct result of Defendants' unlawful retaliation, Plaintiff has suffered and continues to suffer lost wages, lost benefits, emotional distress, reputational harm, and other damages.

PRAYER FOR RELIEF

Plaintiff respectfully requests judgment against Defendants, jointly and severally, as follows:

A. Declaration that Defendants violated Minn. Stat. § 181.932.

B. Back pay, including all lost wages and benefits.

C. Reinstatement or front pay for future lost earnings and lost earning capacity.

D. Compensation for lost employee benefits.

E. Compensatory damages for emotional distress and reputational harm.

F. Injunctive relief requiring Defendants to cease retaliatory practices and implement lawful aerospace-quality procedures, including accurate dimensional-inspection data processes and proper DPAS prioritization.

G. Public-protection injunctive relief requiring Defendants to submit to internal or external audits of inspection and quality-system practices.

H. Plaintiff places Defendants on notice of his intent to amend this Complaint to add a claim for punitive damages based upon Defendants' deliberate indifference to compliance obligations and public safety.

I. Attorneys' fees, costs, witness fees, and expert fees.

J. Pre- and post-judgment interest.

K. Any additional relief the Court deems just and proper.

JURY DEMAND

Plaintiff demands a jury trial on all issues triable by jury.

Dated: June 2, 2026

HALUNEN LAW

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ACKNOWLEDGMENT

The undersigned acknowledges that sanctions may be imposed pursuant to Minn. Stat. § 549.211.

Date: May 22, 2026

/s/ Clayton D. Halunen
Clayton D. Halunen, #0219721