

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

**Lamars Allen Hairston, individually and on
behalf of all others similarly situated,**

Case No. _____
Case Type: Employment

Plaintiff,

v.

**CLASS ACTION COMPLAINT
(WITH JURY DEMAND)**

**Timberland Transportation, LLC d/b/a
Priority Courier Experts,**

Defendant.

Plaintiff Lamars Allen Hairston, individually and on behalf of a class of similarly situated individuals, alleges the following against Defendant Timberland Transportation, LLC d/b/a Priority Courier Experts ("Priority").

INTRODUCTION

1. This case addresses conduct the Minnesota Legislature has expressly declared contrary to the public policy of this State: the misclassification of employees as independent contractors.

2. In 2024, the Legislature stated:

It is the policy of the state of Minnesota to prevent employers from misclassifying workers, because employee misclassification allows an employer to illegally evade obligations under state labor, employment, and tax laws, including but not limited to the laws governing minimum wage, overtime, unemployment insurance, paid family medical leave, earned sick and safe time, workers' compensation insurance, temporary disability insurance, the payment of wages, and payroll taxes.

Minn. Stat. § 181.724, subd. 2.

3. An employer that improperly classifies employees as independent contractors does more than place an inaccurate label on an employment relationship. Misclassification harms Minnesota as a whole by undermining the funding of unemployment insurance, workers' compensation, and other public systems while placing additional burdens on workers and the public. It shifts the legal obligations and expenses of the employer onto its workers and deprives workers of wages and employment protections. Misclassification further disadvantages law-abiding businesses by giving employers who misclassify an illegal competitive advantage over businesses that comply with Minnesota law.

4. Also in 2024, and consistent with its commitment to eliminate worker misclassification and its effects, the Minnesota Legislature strengthened the state's worker misclassification law at Minn. Stat. §181.722. The revisions expressly permit workers who believe they have been misclassified to bring a civil action in Minnesota for a broad range of compensatory damages as well as civil penalties up to \$10,000 per violation. Minn. Stat. §181.722, subds. 1, 4.

5. This case concerns a transportation logistics company, Timberland Transportation, LLC d/b/a Priority Express Couriers. Priority sells motor-vehicle transportation services throughout Minnesota and the Upper Midwest.
6. Priority relies on its drivers to provide the services fundamental to its purpose—transporting goods.
7. To work as a driver for Priority, all of its drivers are required to sign standardized contracts characterizing them as independent contractors.
8. Although Priority labels its drivers as independent contractors, it controls them in a manner that makes them employees. Priority substantially controls the means and manner in which the drivers provide Priority’s services. It controls customer relationships, pricing, dispatch, delivery technology, performance standards, branding, and continued access to assignments. It can terminate drivers on very little notice with no consequences.
9. Priority shifts vehicle and operating costs to drivers, makes standardized deductions from drivers’ weekly pay, does nothing to ensure that drivers receive at least minimum wage for all hours worked, and pays no Minnesota overtime premium to drivers who work more than 48 hours per week.
10. In short, Priority engages in precisely the conduct the Legislature sought to prevent when it revised the misclassification statute. Priority requires drivers to perform its core transportation services as independent contractors while retaining

substantial control over their work and shifting significant operating expenses onto them.

11. Plaintiff, on behalf of himself and the proposed Class, alleges that these practices cause actionable misclassification, including wage injuries,¹ as well as injury to the public fisc.² Through this class action, he seeks to vindicate the Legislature's goal of eliminating unlawful misclassification of workers by seeking class-wide relief for Priority's illegal conduct as provided in Minnesota's Misclassification of Employees statute, Minn. Stat. §181.722.

PARTIES

12. Plaintiff Lamars Allen Hairston is an adult citizen of Minnesota. He personally performed driver services for Priority from November 24, 2021 through June 4, 2026.

¹ A 2024 report by NorthStar Policy Action analyzed 2019 data related to payroll fraud and estimated that workers lost between \$2.9 billion and \$6.2 billion in total job value in 2019 through payroll fraud, including lost overtime and supplemental pay, paid leave, insurance, and retirement benefits. https://northstarpolicy.org/safety-net-snags/page/3/?et_blog

² Northstar Policy Action estimated fraud losses in 2019 of \$54 million to \$108 million in state unemployment-insurance contributions, \$176 million to \$353 million in workers' compensation premiums, and \$276 million to \$836 million in state income-tax revenue—an aggregate estimated loss of between \$506 million and \$1.3 billion. *Id.*

13. Plaintiff performed the work through a nominal entity known as Lamars, LLC because Priority required drivers to contract through business entities.

Plaintiff personally performed the labor at issue.

14. Defendant Timberland Transportation, LLC is identified in its standardized agreements as a Delaware limited liability company doing business as Priority Courier Experts.

15. Priority is a citizen of Minnesota. Priority's principal place of business is located at 3545 Hoffman Road East, Vadnais Heights, Minnesota 55110. It maintains an additional facility at 3565 Hoffman Road East, Vadnais Heights, Minnesota 55110. Its registered agent is CT Corporation, 1010 Dale St. N., St. Paul, Minnesota 55117.

16. From its Minnesota facilities, Priority recruits and onboards drivers, administers driver and vehicle agreements, operates dispatch and payment systems, maintains driver and vehicle records, collects customer charges, pays driver Services Commissions, makes deductions, and suspends or terminates drivers.

17. Priority is an employer and a person within the meaning of the Minnesota statutes invoked in this Complaint and acts through officers, managers,

dispatchers, fleet personnel, and other agents acting within the course and scope of their authority.

JURISDICTION AND VENUE

18. This Court has subject-matter jurisdiction under Minn. Stat. §§ 181.171, 177.27, and 484.01.

19. Venue is proper in Ramsey County because Priority maintains its Minnesota operating facility in Ramsey County, entered and administered standardized driver and vehicle relationships there, and committed substantial portions of the alleged violations in this county.

LEGAL CONTEXT

20. The 2024 revision of the “Misclassification of Employees” statute directed that “the nature of an employment relationship is determined using the same tests and in the same manner as employee status is determined under the applicable workers’ compensation and unemployment insurance program laws and rules.” Minn. Stat. § 181.722, subd. 3.

21. Applicable tests mandate a finding that a driver is an employee rather than an independent contractor when the evidence shows that Priority rather than the driver “substantially controls the means and manner of performing the services, in conformance with regulatory requirements and specifications of the shipper.” *See*

e.g., Minn. Stat. § 176.043 (Worker’s Compensation: Trucking and Messenger/Courier Industries; Independent Contractors); Minn. Stat. § 268.035, subd. 25b (Trucking and messenger/courier industries; independent contractors).

22. The mandate is clear: if drivers do not have the ability to substantially control the means and manner of performing their services, they are employees, not independent contractors, and are entitled to receive the benefits of employment. *Id.* That is the case here.

PRIORITY’S MOTOR CARRIER BUSINESS

23. Priority markets and provides motor-vehicle transportation services, including scheduled deliveries, direct or expedited deliveries, medical and laboratory deliveries, and other transportation of customer property. Its fleet includes cars, vans, and several types of trucks.

24. Priority provides its transportation services through a large group of drivers it calls “Fleet Partners.” The drivers are classified as independent contractors under Priority’s standardized Services Agreement.

25. Priority describes itself in its Services Agreement as a motor carrier authorized by federal and state regulatory agencies to provide interstate and intrastate motor-carrier services. It provides delivery logistics services throughout Minnesota and the Upper Midwest. Priority’s delivery work includes transporting

goods across state lines and transporting within Minnesota goods that originated outside Minnesota and remain in the stream of interstate commerce.

26. Priority's interstate deliveries and deliveries in the stream of interstate commerce are performed by its fleet of drivers, including Plaintiff and the proposed Class, and the work is dispatched and controlled through Priority's common systems.

27. Priority's business practices ensure a clear separation between its drivers and customers. These practices are implemented by Priority employees, including leaders, expert account managers, dispatchers and office staff, all of whom receive the benefits of employment.

28. Priority obtains and maintains all customer relationships. Drivers are not allowed to and do not independently solicit or contract with Priority's customers for work dispatched through Priority.

29. Priority conducts customer solicitation, service arrangements, claim settlements, and other aspects of the motor-carrier relationship in Priority's name.

30. Priority restricts drivers from representing that Priority-dispatched transportation services are offered by the individual driver or the driver's nominal business entity and withholds customer information from commission materials.

31. Priority establishes and controls the charges billed to customers and the compensation formulas paid to drivers.

32. Under Priority’s standardized Services Agreement, customer transportation charges are billed by and payable to Priority, and bills of lading are between Priority and its customers.

33. Priority depends upon drivers’ personal labor and vehicles to fulfill its core purpose— selling and providing motor-vehicle transportation services.

STANDARDIZED RECRUITMENT AND CLASSIFICATION DOCUMENTS

34. Priority recruits drivers through its website. To attract applications, it promotes significant weekly earning potential, access to Priority’s customer base, vehicle leasing opportunities, and a “lower-overhead path into business ownership.”³

35. When potential drivers apply, Priority informs them that Priority will only hire them as independent contractors and that they must sign Priority’s standardized Services Agreement to work for the company.

36. Priority requires drivers to enter its contracts through an LLC or other business entity even when the individual personally performs the services and employs no one.

37. As a condition of their work, Priority requires drivers to sign acknowledgments stating that they are not employees, are ineligible for employee

³<https://www.indeed.com/cmp/Priority-CourierExperts/jobs?jk=ac1e68c552552b52&start=0>

benefits, are responsible for payroll and employment taxes, and will not seek unemployment or workers' compensation benefits from Priority.

38. Priority issues IRS Forms 1099 to drivers or their nominal business entities rather than W-2 wage statements.

39. Priority periodically requires drivers to participate in recorded sessions or acknowledgments confirming their independent-contractor status.

40. Plaintiff learned about Priority through its website and was attracted by its representations concerning the opportunity to obtain a vehicle and develop a business. As a condition of his work, Plaintiff signed Priority's standardized Services Agreement in the name of Lamars, LLC.

41. Plaintiff leased a 2022 Ram ProMaster commercial cargo van through Priority and agreed that Priority could deduct vehicle and other charges from his earnings.

42. The labels and acknowledgments contained in Priority's standardized documents do not alter the actual statutory employment relationship created by Priority's common operating practices described below.

PRIORITY CONTROLS THE MEANS AND MANNER OF DELIVERY WORK

A. Dispatch and Assignment Control

43. Priority controls access to delivery work through dispatchers, zone communications, telephone calls, route information, and the CXT Driver

application.

44. Priority provides drivers with the customer location, pickup location, delivery destination, timing, sequence, urgency, and instructions for driver assignments.

45. Priority designates assignments as direct or urgent and requires drivers to proceed according to the applicable delivery requirements.

46. Priority tracks drivers' acceptance and rejection of assignments and uses that data to control future assignments and determine which drivers receive future assignments, including more profitable work.

47. Drivers who decline assignments can be left waiting, receive less desirable work, or be placed behind other drivers for future assignments.

48. Priority requires drivers to communicate their availability and report to Priority dispatchers when they need to stop working or be at a location by a particular time.

49. Plaintiff and the proposed Class experienced these dispatch and assignment controls on a daily basis.

B. GPS Technology and Performance Control

50. Priority tracks drivers' locations through the CXT Driver application and compatible communications and tracking technology.

51. Priority requires drivers to furnish specified communications equipment directly or through arrangements with Priority.
52. Through required technology, Priority's dispatchers can observe drivers' stops, contact drivers, demand estimated arrival times, and press drivers on the status and completion of assignments.
53. Priority tracks drivers' pickup and delivery times, late or missed deliveries, scanning compliance, customer complaints, and service failures.
54. Priority requires drivers to comply with its tracking procedures, including scanning, proof of pickup and delivery, compliance with package-handling instructions, reporting of delays, and approval concerning failed deliveries and returns.
55. Priority maintains driver files and uses performance information to warn, discipline, reduce assignments, suspend, or terminate drivers.
56. Plaintiff and the proposed Class experienced Priority's monitoring and performance control on a daily basis.

C. Appearance Identification and Vehicle Control

57. Priority requires drivers to present a professional appearance and use Priority-branded clothing, badges, or identification.
58. Priority charges drivers for required branded items and can deny work for noncompliance.

59. Priority requires vehicles used for Priority work to display Priority identification and driver numbers.
60. Priority requires drivers' vehicles to satisfy condition, maintenance, inspection, cleanliness, and appearance standards, and conducts asset reviews.
61. Priority can remove a driver from work until required maintenance, tires, oil changes, repairs, or other vehicle conditions are corrected at the driver's expense.
62. Plaintiff and the proposed Class were subject to these vehicle and appearance requirements controlled by Priority. For example, on one occasion, Priority denied Plaintiff a day's work because he wore a non-Priority hat.

D. Discipline and Termination Control

63. Priority can economically discipline drivers by withholding assignments or allocating less desirable or less profitable work.
64. Priority's Services Agreement permits Priority to terminate its relationship with any driver without cause and with only seven days' notice.
65. Drivers have no meaningful internal process guaranteed by the Services Agreement to obtain continued access to assignments after Priority suspends or terminates them.
66. Plaintiff and the proposed Class experienced Priority's withholding of assignments and termination as a form of discipline. For example, Priority

withheld assignments from Plaintiff based on minor infractions such as failing to notify dispatch when unavailable and not making a requested video recording concerning independent-contractor designation. Priority terminated Plaintiff after falsely accusing him of theft for his failure to immediately return a stapler borrowed from a customer. Plaintiff explained that the failure was inadvertent and that the stapler could be returned, but Priority ended his access to work and recovered the leased vehicle.

E. Vehicle Control

67. Priority maintains a vehicle lease program for drivers who need vehicles meeting Priority's operational requirements. A significant proportion of Priority drivers participate in that program.

68. Priority's fleet personnel control access to Priority vehicles and administer standardized Lease Agreements.

69. Priority markets vehicle leasing to prospective drivers as part of the opportunity associated with becoming a Priority driver.

70. Priority controls the stream of dispatched work and compensation from which drivers make vehicle payments to Priority.

71. Priority can reduce or terminate work while retaining contractual rights concerning the vehicle, deposits, charges, recovery, and personal-guaranty liability.

72. Priority's standardized Lease Agreement places substantial payment, maintenance, casualty, default, recovery, and deficiency risks on the driver.

73. Drivers who provide their own vehicles similarly are required to take on financial risks. For example, they are required to pay for the vehicle, absorb wear and tear, cover all operational and maintenance costs, and maintain mandated insurance.

74. Plaintiff leased a vehicle through Priority and paid substantial lease and operating amounts through deductions and out-of-pocket payments during his tenure. After terminating him, Priority recovered the vehicle without refunding Plaintiff any amount he expended in leasing, operating or maintaining the vehicle.

75. Regardless of variation in daily assignments, vehicle ownership, and hours worked, Priority's exercise of control over its drivers through its documents, policies and procedures described above was substantial and common to Plaintiff and all drivers.

BENEFITS, COMPENSABLE WORK, MINIMUM WAGE, AND OVERTIME

76. Because Priority characterizes them as independent contractors, Priority's drivers do not receive any of the employment benefits received by Priority's

employees. Based on job postings, these benefits include paid time off, health, dental and vision insurance, and a matching 401(k). Drivers also are not eligible to receive state-mandated benefits such as Workers' and Unemployment Compensation, Earned Sick and Safe Time, and various types of paid leave.⁴

77. In addition, and as described below, Priority's drivers are deprived of statutory wage protections afforded to Minnesota employees.

78. Employees are entitled to pay for all time worked. *See* Minn. Stat. § 181.101. Priority does not pay drivers for time spent on non-delivery work associated with Priority's business, including certain waiting, vehicle-related, and Priority-directed administrative activities.

79. Priority requires drivers to bear substantial costs necessary to perform Priority's transportation work, including vehicle charges, insurance, fuel, maintenance, repairs, tires, brakes, registration, licensing, uniforms, communications equipment, supplies, tolls, parking, and other costs.

80. Priority deducts some of those costs directly from drivers' weekly Services Commissions and drivers pay the remaining expenses (e.g. fuel, maintenance) out of pocket.

81. Employees are entitled to receive at least a minimum wage for all time worked. *See* Minn. Stat. § 177.24. In 2026, Minnesota's minimum wage is \$16.37/

⁴ *See e.g.* <https://www.ag.state.mn.us/Consumer/Publications/CommonEmploymentIssues.asp>

hour for time worked in St. Paul and Minneapolis, and \$11.41/hour for other hours unless a local ordinance provides a higher minimum wage.⁵

82. Priority does nothing to ensure that its drivers receive at least minimum wage for the hours they work. *See* Minn. Stat. §177.24.

83. Employees are entitled to receive Minnesota overtime premiums of 1.5 times the hourly rate to drivers who work more than 48 hours in a covered workweek. The 2026 overtime rate of pay for work in St. Paul and Minneapolis is \$24.56/hour. *See* Minn. Stat. §177.25. Priority does not pay overtime premiums to drivers regardless of whether they work more than 48 hours in a given week.

84. Minnesota law requires employers, at the end of each pay period, to provide employees with specific information about their pay, including rates of pay, hours worked, gross pay, deductions, and net pay. *See* Minn. Stat. §§171.181, 181.032.

85. Priority provides its drivers with a weekly earnings statement, titled “Employee Pay Stub.” It shows the driver’s name and address, and federal withholding taxes at \$0.00. The next section titled “Adjustments to Net Pay,” lists the positive amounts earned for “Services Commissions” and “Advertising Commissions” and negative amounts for all deductions, including communications equipment, lease, and insurance.

⁵ *See* <https://www.stpaul.gov/departments/human-rights-equal-economic-opportunity/labor-standards-enforcement-and-education/minimum-wage>; <https://minimumwage.minneapolismn.gov/>; <https://www.dli.mn.gov/minwage>

86. Plaintiff and the proposed Class receive none of the employment benefits accorded to Priority employees (e.g. health insurance, paid time off).

87. Plaintiff and the proposed Class receive no additional compensation for certain non-delivery tasks associated with their Priority work and bear substantial costs through deductions from their Services Commission and out-of-pocket payments including the cost of operating and maintaining their vehicles.

88. Plaintiff does not have access to wage records or compensation information within Priority's control pertinent to determining the extent of Priority's failure to pay minimum wage and/or overtime premiums. He believes that Priority maintains electronic and documentary records, such as log-in/log-out times, delivery assignments, and availability times, that would assist in this determination.

89. On information and belief, Plaintiff and the proposed Class experienced weeks in which they did not receive the equivalent of minimum wage for all hours worked. For example, Plaintiff has a 2026 paystub for the pay period ending the week of 4/24/2026. After deductions his net pay was \$627.66. Conservatively estimating an average weekly out-of-pocket cost of \$200.00 and only 40 hours of work at the lower rate of \$11.41, Plaintiff's net pay would be \$10.69/hour, with a total shortfall of \$28.80 for the week. The shortfall at the higher rate of \$16.37 for hours worked in St. Paul or Minneapolis would be \$198.40.

90. On information and belief, Plaintiff and the proposed Class experienced weeks in which they did not receive the equivalent of the Minnesota overtime premium for hours worked in excess of 48.

91. Plaintiff typically worked approximately 10 to 14 hours per day and sometimes six days per week, but like others in the proposed Class, he received no Minnesota overtime premium for hours worked in excess of 48.

WILLFULNESS

92. Priority's classification of its drivers as independent contractors is deliberate and enterprise-wide, not an isolated payroll mistake.

93. In addition to hiring drivers as independent contractors, Priority hired many individuals as employees. As a company that identified itself as the Midwest's "leading provider of same-day logistics services," Priority can be presumed to have a level of sophistication that would understand the legal ramifications of hiring individuals as employees or independent contractors.

94. An awareness of legal issues relating to the hiring and treatment of independent contractors is evident, among other things, in the standardized Services and Lease Agreements that Priority uses; its requirement that drivers take on a corporate identity; its uniform payment practices for drivers; its issuance of IRS Form 1099s to the drivers; and its insistence that drivers provide repeated statements that they are independent contractors.

95. At the same time, the Priority personnel responsible for determining the company's business model also knew or should have known through reasonable diligence that its policies and practices result in actual control of the drivers to such an extent that they should have been characterized and treated as employees.

96. Accordingly, Priority's misclassification and non-payment of wages to its drivers was the result of deliberate business decisions—that is, its conduct was willful and not the result of mistake or inadvertence, supporting the three-year limitations period allowed by Minn. Stat. § 541.07(5).

CLASS ALLEGATIONS

97. Plaintiff brings this action on behalf of himself and all other similarly situated individuals under Minnesota Rule of Civil Procedure 23. He proposes a Class defined as follows:

All individuals who are citizens of Minnesota at commencement of this action and who personally performed driver services for Priority at any time from three years prior to commencement of this action through final judgment, and whom Priority classified as an independent contractor.

98. Plaintiff reserves the right to redefine the Class prior to notice or class certification and thereafter as necessary.

99. The proposed Class is sufficiently numerous that joinder is impracticable. Priority represents that it operates with hundreds of drivers as Fleet Partners, and

the precise number and identity of class members are ascertainable from Priority's driver contract, dispatch, payment, and tax records. Because domicile/citizenship in Minnesota is a requirement for a Minnesota driver's license, citizenship in the state can be easily determined. Priority requires drivers to have either a Minnesota or Wisconsin license and those with Minnesota licenses should be ascertainable from Priority's records. Most of the drivers known to Plaintiff live in Minnesota and therefore will have that license. Based on his interactions with drivers, Plaintiff believes the proposed Class will easily exceed 40 drivers.

100. There are questions of law and fact common to the proposed Class, including whether Priority treats its drivers as independent contractors when they are in reality employees under Minnesota law; whether Priority exercises substantial control of the means and manner in which drivers perform their services; whether the services the drivers provide are integral to Priority's business; and whether Priority's treatment of its drivers as independent contractors was willful.

101. Plaintiff's claims are typical of those of the proposed Class members. He personally performed the same core motor-vehicle transportation work as the class members. Priority classified him as an independent contractor under the same standardized Services Agreement. Priority subjected him to the same means and methods of control as experienced by the proposed Class members. Plaintiff

incurred standardized deductions and expenses and was required to pay for the use, operation and maintenance of his vehicle as were the proposed Class members. He alleges misclassification and wage injuries arising from the same course of conduct experienced by the proposed Class. Finally, Plaintiff's claims are based on the same legal theories as the proposed Class members' claims.

102. Plaintiff will fairly and adequately protect the interests of the proposed Class. He has no interest antagonistic to the proposed Class and has retained counsel experienced in employment and class litigation.

103. Common questions predominate throughout the proposed Class because liability turns principally on Priority's uniformly imposed and centralized policies and procedures through which Priority substantially controlled the means and manner of the drivers' performance of their services. Individual variations in routes, hours, vehicle type, particular expenses, or damages do not alter the central common employee-status inquiry.

104. A class action is superior because individual claims would be disproportionately expensive to litigate, many workers would lack a practical incentive to bring separate actions, and separate proceedings would require duplicate proof concerning the same contracts, systems, and corporate practices and raise the risk of inconsistent results.

105. Certification under Rule 23.02(b) is appropriate for declaratory and injunctive relief to the extent Priority continues to misclassify drivers.

Certification under Rule 23.02(c) is appropriate for damages and other monetary relief.

COUNT I

MISCLASSIFICATION OF EMPLOYEES

Minn. Stat. §§ 181.722, 181.171

106. Plaintiff incorporates the preceding paragraphs by reference.

107. The Misclassification of Employees statute at Minn. Stat. §181.722 prohibits employers from classifying individuals as independent contractors when they were and are actually employees under the applicable workers' compensation and unemployment insurance program laws and rules for determining employee status.

108. Applicable workers' compensation and unemployment insurance program laws and rules for determining employee status applied to the facts of this case allow Priority to characterize its drivers as independent contractors only if the drivers, not Priority, substantially control the means and manner of performing their driver services, in conformance with regulatory requirements and specifications of the shipper. *See* Minn. Stat. §§ 176.043, 268.035.

109. Priority violates Minn. Stat. §181.722 with respect to Plaintiff and the proposed Class—the drivers it hires to perform the core transportation services it offers to the public. Priority classifies those drivers as independent contractors, but they are actually employees under the applicable employee status tests, because, as described in the facts above, Priority substantially controls the means and manner in which its drivers perform their driver services, in conformance with regulatory requirements and specifications of the shipper.

110. Priority violates Minn. Stat. § 181.722, subd. 1(a)(1), by continuing to classify, represent, and treat these individuals as independent contractors through its common contracting, payment, and operating practices.

111. Priority violates Minn. Stat. § 181.722, subd. 1(a)(2) by failing to report or disclose its drivers as employees including with respect to employee wage and employment reporting, while instead characterizing and treating its drivers as independent contractors. Each required report or disclosure omitted for an individual during the statutory period is a separate violation.

112. Priority violates Minn. Stat. § 181.722, subd. 1(a)(3) by requiring its drivers to enter into Services Agreements and complete repeated independent-contractor acknowledgments and other status documents inconsistent with their employee status, as a condition of obtaining work. Each qualifying agreement or completed document within the actionable period is a separate violation.

113. Priority's actions were and are willful and not the result of mistake or inadvertence. *See* Minn. Stat. §541.07(5). Priority repeatedly acts intentionally and deliberately when it classifies its drivers as independent contractors rather than employees. Common evidence of Priority's conduct includes its standard Service Agreements, dated acknowledgments, reporting records, repeated status sessions, and common policies and procedures substantially controlling how the drivers performed their services. Priority's conduct permits identification of separate actionable violations.

114. Misclassification caused Plaintiff and the proposed Class to lose compensation and employment benefits and to incur work-related costs and expenses, paid out of pocket and as deductions from their weekly pay. For the applicable liability period, Plaintiff and the proposed Class seek compensatory damages, appropriate injunctive and other equitable relief, and attorney fees and costs as authorized by Minn. Stat. §§ 181.722, subd. 4(a)(1), 181.171, subds. 1, 3.

115. Under Minn. Stat. §§ 181.722, subd. 4(a)(2), (3) and 181.171, Plaintiff and the proposed Class further seek imposition of statutory penalties of up to \$10,000 per misclassified individual and up to \$10,000 for each separately proven violation of Minn. Stat. §181.722, subd. 1(a).

COUNT II

FAILURE TO PAY MINIMUM WAGE

Minn. Stat. §§ 177.24, 177.27, 177.30

116. Plaintiff incorporates the preceding paragraphs by reference.

117. Plaintiff and the proposed Class are employees within the governing Minnesota statutes for the covered work alleged here, but as alleged in Count I, Priority illegally treated Plaintiff and the proposed Class as independent contractors when they were and are actually employees.

118. Priority violated Minn. Stat. §177.24 by failing to pay Plaintiff and the proposed Class the required minimum wage for earned hours in one or more workweeks.

119. Priority also violated Minn. Stat. §177.30 by failing to maintain and keep required records including pay rates, amounts paid, and hours worked by Plaintiff and the proposed Class.

120. Priority's actions are willful and not the result of mistake or inadvertence. *See* Minn. Stat. §541.07(5). As described in the facts above, Priority repeatedly acts intentionally and deliberately when it classifies and treats its drivers as independent contractors and fails to pay them the required minimum wage as employees under Minnesota law.

121. Misclassification caused Plaintiff and the proposed Class to lose

compensation to which they were entitled as employees. Plaintiff and the proposed Class seek damages as authorized under Minn. Stat. §177.27 for the applicable liability period, including lost minimum wages that should have been paid less amounts actually paid, an additional equal amount as liquidated damages, injunctive relief, penalties as appropriate, and attorney fees and costs, without duplicating an award for the same wage loss under another count.

COUNT III

FAILURE TO PAY FOR HOURS EARNED

Minn. Stat. §§181.101, 181.032 and 181.171

122. Plaintiff incorporates the preceding paragraphs by reference.

123. Plaintiff and the proposed Class are employees within the governing Minnesota statutes for the covered work alleged here, but as alleged in Count I, Priority illegally treated Plaintiff and the proposed Class as independent contractors when they were and are actually employees.

124. In one or more workweeks, Plaintiff and the proposed Class expended compensable time on non-delivery work associated with Priority's business, including certain waiting, vehicle-related, and Priority-directed administrative activities, for which they received no compensation.

125. Priority violated Minn. Stat. §181.101 by failing to pay wages to Plaintiff and the proposed Class for compensable time spent on non-delivery work associated with Priority's business.

126. Priority also violated Minn. Stat. §181.032 by failing to maintain and keep required records including pay rates, amounts paid, and hours worked by Plaintiff and the proposed Class.

127. Priority's actions are willful and not the result of mistake or inadvertence. *See* Minn. Stat. §541.07(5). As described in the facts above, Priority repeatedly acts intentionally and deliberately when it classifies and treats its drivers as independent contractors and fails to pay them as employees for hours worked under Minnesota law.

128. Misclassification caused Plaintiff and the proposed Class to lose compensation to which they were entitled as employees. Plaintiff and the proposed Class seek damages as authorized under Minn. Stat. §181.171 for the applicable liability period, including wages for non-delivery compensable hours, injunctive relief, penalties as appropriate, and attorney fees and costs, without duplicating an award for the same wage loss under another count.

COUNT IV

FAILURE TO PAY OVERTIME PREMIUMS

Minn. Stat. §§ 177.25, 177.27, 177.30

129. Plaintiff incorporates the preceding paragraphs by reference.

130. Plaintiff and the proposed Class are employees within the governing Minnesota statutes for the covered work alleged here, but as alleged in Count I, Priority illegally treated Plaintiff and the proposed Class as independent contractors when they were and are actually employees.

131. Plaintiff and the proposed Class worked more than 48 compensable hours in one or more workweek at Priority.

132. Priority violates Minn. Stat. § 177.25 by failing to pay the required overtime premium to Plaintiff and the proposed Class for hours worked in excess of 48 hours per week.

133. Priority also violated Minn. Stat. 177.30 by failing to maintain and keep required records stating pay rates, amounts paid, and hours worked by Plaintiff and the proposed Class.

134. Priority's actions are willful and not the result of mistake or inadvertence. *See* Minn. Stat. §541.07(5). As described in the facts above, Priority repeatedly acts intentionally and deliberately when it classifies and treats its drivers as

independent contractors and fails to pay them required overtime as employees under Minnesota law.

135. Misclassification caused Plaintiff and the proposed Class to lose overtime compensation to which they were entitled as employees. Plaintiff and the proposed Class seek damages as authorized under Minn. Stat. §177.27 for the applicable liability period, including lost overtime premiums that should have been paid less amounts actually paid, an additional equal amount as liquidated damages, injunctive relief, penalties as appropriate, and attorney fees and costs, without duplicating an award for the same wage loss under another count.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of the proposed Class, requests judgment and orders:

- A. Certifying the appropriate Class or issues under Minn. R. Civ. P. 23; appointing Plaintiff as representative of the Class he adequately represents; and appointing his counsel as class counsel;
- B. Declaring that, under Minnesota law, Priority misclassified Plaintiff and the Class as independent contractors;
- C. Declaring that Priority's treatment of Plaintiff and the Class as independent contractors violated the applicable statutes during the actionable periods;

- D. Awarding all compensatory damages authorized by Minn. Stat. §§177.27, 181.722 and 181.171, including lost compensation, benefits, employer contributions, and costs and expenses resulting from misclassification;
- E. Awarding all statutory penalties under Minn. Stat. §§ 181.722, subd. 4(a)(2) and (3), of up to \$10,000 per misclassified individual and up to \$10,000 per separately proven subdivision 1 violation, as permitted by law;
- F. Awarding unpaid minimum wages, earned wages, and overtime premiums;
- G. Awarding liquidated damages where authorized by Minn. Stat. § 177.27, subd. 8, and other available statutory relief;
- H. Granting appropriate declaratory and injunctive relief concerning classification, wage payment, and recordkeeping;
- I. Awarding prejudgment and post-judgment interest and reasonable attorney fees, witness fees, disbursements, and costs as authorized by law;
- J. Transmitting the Court's required findings to the Commissioner of Labor and Industry under Minn. Stat. § 181.722, subd. 5; and
- K. Granting such other and further relief as the Court deems appropriate.

JURY DEMAND

Plaintiff and the proposed Class demand a jury trial on all issues so triable under Minn. R. Civ. P. 38.01.

Dated: _____

HALUNEN LAW

Clayton D. Halunen (#0219721)

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