

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF OREGON

Justin Denley v. Augusta Sportswear, Inc. d/b/a Momentec Brands

Denley · No. 6:25-cv-02018-MC · Decided March 24, 2026

SUMMARY

The United States District Court for the District of Oregon denied Defendant Augusta Sportswear, Inc.'s motion to dismiss overtime claims accruing before September 9, 2023. The court held that Plaintiff had pleaded facts potentially supporting equitable tolling of Oregon's two-year statute of limitations because he allegedly lacked notice of his misclassification until February 14, 2025. The court concluded that the claims therefore survived dismissal under Federal Rule of Civil Procedure 12(b)(6).

CASE DETAILS

COURT	United States District Court for the District of Oregon
WRITING FOR THE COURT	Michael McShane
JURISDICTION	United States District Court for the District of Oregon
DECIDED	March 24, 2026
DOCKET	6:25-cv-02018-MC
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss overtime claims accruing before September 9, 2023, as barred by Oregon's two-year statute of limitations. The court denied the motion.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded allegations of material fact as true and construes them in the light most favorable to the nonmovant. A statute-of-limitations defense may support dismissal at the pleading stage only if no set of facts would permit the plaintiff to prove tolling.
PRECEDENTIAL VALUE	unpublished district court opinion; persuasive authority only
PARTIES	Justin Denley v. Augusta Sportswear, Inc., doing business as Momentec Brands

TOPICS

wage and hour

flsa

statute of limitations

motions to dismiss

civil procedure

PRACTICE AREAS

employment law

wage and hour

civil procedure

QUESTIONS PRESENTED

1. Whether Denley's overtime claims accruing before September 9, 2023, could be dismissed under ORS § 12.110(3) as untimely at the pleading stage.
2. Whether equitable tolling could apply to ORS § 12.110(3) where the plaintiff alleged that he lacked actual or constructive notice of a possible overtime claim until his employer disclosed his misclassification.

HOLDINGS

1. A claim may not be dismissed on statute-of-limitations grounds under Rule 12(b)(6) when the complaint pleads facts that could permit the plaintiff to prove that the limitations period was tolled.
2. Equitable tolling may apply to claims subject to ORS § 12.110(3) when mechanical application of the limitations period would cause injustice and the plaintiff diligently pursued his rights but reasonably lacked notice of a possible claim.

KEY QUOTATIONS

“A court may dismiss a claim based on the statute of limitations only if no set of facts would “permit the plaintiff to prove that the statute was tolled.”” (Discussion)

“If a “reasonable plaintiff would not have known of the existence of a possible claim within the limitations period, then equitable tolling will serve to extend the statute of limitations.”” (Discussion)

FACTUAL BACKGROUND

Denley worked for Defendant and its predecessors from August 2014 through February 2025 as an Information Technology Coordinator. He was classified as exempt, worked approximately 60 hours per week, and received a fixed monthly salary without overtime compensation. On February 14, 2025, Defendant informed him that he had been improperly classified and was entitled to overtime pay. Denley alleged that he had received no overtime compensation for work performed above 40 hours per week from August 2014 through February 2025.

PROCEDURAL HISTORY

Denley filed an action in Lane County Circuit Court on September 9, 2025, asserting state-law and Fair Labor Standards Act overtime claims. Defendant removed the action and moved to dismiss claims accruing before September 9, 2023, under ORS § 12.110(3). After previously concluding that the statute did not contain a discovery rule, the court requested supplemental briefing on equitable tolling and denied the motion.

DISPOSITION

other

CASES CITED

- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Burgert v. Lokelani Bernice Pauahi Bishop Tr., 200 F.3d 661, 663 (9th Cir. 2000)
- Papasan v. Allain, 478 U.S. 265, 286 (1986)
- Supermail Cargo, Inc. v. U.S., 68 F.3d 1204, 1206-07 (9th Cir. 1995)
- Holland v. Fla., 560 U.S. 631, 649-50 (2010)
- Bent v. Garland, 115 F.4th 934, 942 (9th Cir. 2024)
- Avagyan v. Holder, 646 F.3d 672, 680 (9th Cir. 2011)
- Santa Maria v. Pac. Bell, 202 F.3d 1170, 1178 (9th Cir. 2000)
- Socop-Gonzalez v. I.N.S., 272 F.3d 1176, 1194-96 (9th Cir. 2001)
- Leorna v. U.S. Dep't of State, 105 F.3d 548, 551 (9th Cir. 1997)
- Partlow v. Jewish Orphans' Home of S. Cal., Inc., 645 F.2d 757, 760 (9th Cir. 1981)
- Hoffman-LaRoche, Inc. v. Sperling, 493 U.S. 165 (1989)
- Hemming v. Decibels of Or., Inc., No. 1:17-cv-01624-MC, 2018 WL 664792, at *7-8 (D. Or. Feb. 1, 2018)