

Judgment rendered September 30, 2026.
Application for rehearing may be filed
within the delay allowed by Art. 2166,
La. C.C.P.

No. 56,941-CW

COURT OF APPEAL
SECOND CIRCUIT
STATE OF LOUISIANA

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BAILEY ANDREW BAYNHAM

Plaintiff- Respondent

versus

MAVEN ROYALTY
MANAGEMENT LLC &
MAVEN ROYALTY PARTNERS
LLC

Defendants- Applicants

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On Application for Writs from the
First Judicial District Court for the
Parish of Caddo, Louisiana
Trial Court No. 631,259

Honorable Ramon Lafitte, Judge

* * * * *

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* * * * *

Before THOMPSON, ROBINSON, and ELLENDER, JJ.

THOMPSON, J.

Bailey Andrew Baynham filed suit against his former employer seeking recognition of his ownership of membership interests granted to him as incentives during his employment. His former employers argue in a motion for summary judgment and subsequent peremptory exception of no cause of action that the membership interests terminated when he left the company. This is the second time this matter has come before the court on a writ based on the trial court's denial of a prior motion for summary judgment. The Louisiana Supreme Court has previously held that genuine issues of material fact existed in this matter, making summary judgment inappropriate. Interestingly, targeted legislative amendments particularized for these factual circumstances were advanced through the Louisiana legislature at the bequest of the employers to a member of the legislature while this matter advanced from the trial court, through the appellate court and eventually to the supreme court. The former employer asserts the new statutory language simply clarifies the former employee's claims are precluded as a matter of law. The former employee asserts that the new statutory language is a substantive change to the law, is therefore prospective only, and that his claims therefore survive the motion for summary judgment and exception. For the reasons set forth below, we affirm the trial court's denial of the motion for summary judgment and exception of no cause of action.

FACTS AND PROCEDURAL HISTORY

Andrew Baynham ("Baynham") began working for Maven Royalty Management ("Maven") in July of 2017, where he worked until his resignation in July of 2020. Maven Royalty Partners ("MRP") is the

manager of Maven. MRP has no employees but is the entity that holds the profit interests for Maven.

Prior to his employment, and as an attempt to entice Baynham to come to work for the companies, he was provided with a written offer letter that described his base pay and benefits. The letter stated that as an employee he would be eligible to participate in a long-term incentive plan under which he could be awarded profit interests in MRP. The letter stated that the profit interest could change annually, and there was no guarantee or implied promise of a specified payout. The operating agreement for MRP provides objectively differing provisions about what happens to these membership right incentives on the separation of Baynham from the company based upon the cause and nature of his departure.¹ Baynham accepted the offer letter in writing.

Section 2.8 of MRP's Operating Agreement states that MRP has the authority to issue and confer two classes of membership rights, either Class A or Class B, in return for capital contributions or the provision of services. During the course of his employment there were five separate award agreements in which Baynham was awarded a total of 8,000 Class B Membership Rights vested units (an 8% interest) in MRP. Baynham contends that the Class B Membership interests were fully vested at the time they were awarded to him. Maven disagrees.

Maven contends that during Baynham's tenure at the company, MRP's managers never authorized a distribution of profits to any Class B member because there were no profits. Essentially, MRP argues

¹ See Articles 5.6 and 5.7 of the Operating Agreement.

alternatively that the operating agreement provides: (1) Baynham forfeits his shares upon his resignation; or (2) the shares held by Baynham were worthless at the time of his resignation.

When Baynham resigned, Maven presented him with a proposed letter in which he was asked to acknowledge his forfeiture of his Class B Membership interests upon his departure, which he refused to sign. Subsequently, Baynham filed suit against Maven and MRP, arguing that the Class B membership interest were “wages” under the Louisiana Wage Payment Act (“LWPA”), La. R.S. 23:631, and that Maven and MRP were in violation of the Act. Baynham also asserted that Maven and MRP breached the contract set forth in the equity plan between the parties, committed conversion by refusing to recognize his membership interest, and, alternatively, unjustly enriched themselves by refusing to recognize his membership interest. Maven and MRP’s motion for summary judgment did not address Baynham’s claims of conversion or unjust enrichment.

Baynham filed a motion for summary judgment arguing that his Class B membership rights in MRP constitute wages under the LWPA and if so, the equity plan provisions requiring forfeiture of the membership rights upon his resignation constitutes an unlawful forfeiture of wages pursuant to La. R.S. 23:634. In response, Maven and MRP filed a cross-motion for summary judgment on all of Baynham’s claims, asserting the law is clear that the Class B membership rights are not considered wages. On November 26, 2024, the district court ruled in Baynham’s favor, finding that the Class B membership rights were wages under the LWPA, that La. R.S. 23:634 prohibited forfeiture, and granted his motion while denying Maven and MRP’s cross-motion.

Maven and MRP filed an application for supervisory writ with this Court. While the writ application was pending before this court, a parallel timeline began unfolding in the Louisiana legislature modifying the language of La. R.S. 23:631. On April 4, 2025, a Louisiana State Senator representing Caddo Parish, at the request of Maven and MRP, proposed a change² to the LWPA to amend La. R.S. 23:631 to include and define the term “laborers” within the act, which only applied to “employees.” The original language of the proposed legislation addressed general labor regulations, wage notifications, definitions, discharge payment timelines, and fine prohibitions.

On April 9, 2025, this Court declined to exercise its supervisory jurisdiction and denied the writ application. Maven and MRP then filed for a supervisory writ to the Louisiana Supreme Court. The Louisiana Supreme Court granted their writ application and on September 24, 2025, stated: “based on our review, we find there is a sufficient factual dispute over the interpretation of the agreement which makes summary judgment inappropriate.” The partial summary judgment in favor of Baynham was reversed, and the case was remanded to the district court for further proceedings.

On April 23, 2025, after this Court denied Maven and MRP’s writ and while the matter was pending at the Louisiana Supreme Court, the sponsoring Senator proposed substantive amendments to his pending legislation adding a new subsection (F) to Section 631, stating “the provisions of this Section and R.S. 23:634 shall not apply to profits interest

² SB133 Pre-filed before the April 14, 2025, Regular Session

granted or issued by an entity taxed as a partnership for federal income tax purposes.” SB 133 was transformed from its initial pre-filed version to a complete shift in legislative scope, moving from broad administrative updates regarding employer/laborer notifications and fine assessments to a targeted statutory exemption for partnership equity interests. After bicameral approval of the amended language, this change became law on June 8, 2025, without the signature of the governor. There has been much discussion of whether the changes to La. R.S. 23:631(F) and 22:634 are retroactive or prospective, but we note the language of neither the initial nor amended version of the bill included language to assert the bill was to be retroactive, as made possible by La. R.S. 1:2.

On September 26, 2025, Maven and MRP filed a renewed motion for summary judgment, based on the change in the law set forth in La. R.S. 23:631(F). Subsequently, on November 11, 2025, they also filed a peremptory exception of no cause of action based on the legislative change, arguing Baynham’s petition failed to state a cause of action, given that the LWPA makes clear that his Class B membership rights are not wages under the LWPA. Importantly, both parties agree that the only substantive change between their earlier motions and the current motions was the legislative change to the LWPA.

On December 15, 2025, the district court held a hearing and found that it could not consider summary judgment on the issue of whether Public Act 113 of 2025 is retroactive and denied Maven and MRP’s motion for summary judgment. The district court also denied Maven and MRP’s exception, finding that it was limited to the four corners of the petition.

Maven and MRP filed a writ application to this court, which has been converted into this appeal.

DISCUSSION

Maven and MRP have asserted four assignments of error. The first three assignments of error, listed below, all involve the denial of the motion for summary judgment by the trial court and will be addressed together.

Maven and MRP argue:

First Assignment of Error: The district court erred in interpreting the Louisiana Supreme Court’s per curiam order of September 24, 2025, as barring consideration of whether Public Act 113 of 2025 was retroactive, a pure question of law.

Second Assignment of Error: The district court erred in denying defendants’ renewed motion for summary judgment with respect to plaintiff’s LWPA claim given that the Louisiana legislature recently clarified that profit interests such as plaintiff’s are not “wages” within the meaning of La. R.S. 23:631 and La. R.S. 23:634.

Third Assignment of Error: The district court erred in failing to consider defendants’ renewed motion for summary judgment in light of recent legislative clarification because if the Class B membership rights are not “wages” or “amounts then due under the terms of employment” within the meaning of the recently clarified Louisiana Wage Payment statute, the undisputed underlying documents clearly and unambiguously provide that MRP may reacquire a Class B member’s interests without any consideration upon the effective date of his voluntary resignation, so there can be no LWPA violation, breach of contract, conversion, or alternatively, unjust enrichment claim.

Appellate courts review summary judgments de novo under the same criteria that govern the district court’s consideration of whether summary judgment is appropriate. *Costello v. Hardy*, 03-1146 (La. 1/21/04), 864 So. 2d 129. A trial court must grant a motion for summary judgment if the motion, memorandum, and supporting documents show that there is no genuine issue as to material fact and that the mover is entitled to judgment as a matter of law. La. C.C.P. art. 966(A)(3). Summary judgment procedure is

now favored under our law and will be construed to secure the just, speedy, and inexpensive determination of every action except those disallowed by La. C.C.P. art. 969. La. C.C.P. art. 966(A)(2); *Farrell v. Circle K Stores, Inc.*, 22-00849 (La. 3/17/23), 359 So. 3d 467.

The burden of proof rests with the mover; nevertheless, if the mover will not bear the burden of proof at trial on the issue that is before the court on the motion for summary judgment, the mover's burden on the motion does not require him to negate all essential elements of the adverse party's claim, action, or defense, but rather to point out to the court the absence of factual support for one or more elements essential to the adverse party's claim, action, or defense. La. C.C.P. art. 966(D)(1).

The burden is on the adverse party to produce factual support sufficient to establish the existence of a genuine issue of material fact or that the mover is not entitled to judgment as a matter of law. *Id.* When a motion for summary judgment is made and supported as provided in La. C.C.P. art. 967(A), an adverse party may not rest on the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in La. C.C.P. art. 967(A), must set forth specific facts showing that there is a genuine issue for trial. La. C.C.P. art. 967(B). If he does not so respond, summary judgment, if appropriate, shall be rendered against him. *Id.* A fact is material if it potentially ensures or precludes recovery, affects a litigant's ultimate success, or determines the outcome of the legal dispute. *Freeman v. W. Carroll Par. Police Jury*, 54,750 (La. App. 2 Cir. 9/21/22), 349 So. 3d 637, *writ denied*, 22-01583 (La. 12/20/22), 352 So. 3d 83. A genuine issue of material fact is one as to which reasonable persons could disagree; if reasonable persons could reach only one conclusion, there is no

need for trial on that issue and summary judgment is appropriate. *Harris v. City of Shreveport*, 53,101 (La. App. 2 Cir. 4/22/20), 295 So. 3d 978; *Maggio v. Parker*, 17-1112 (La. 6/27/18), 250 So. 3d 874. In determining whether an issue is genuine, a court should not consider the merits, make credibility determinations, evaluate testimony, or weigh evidence. *Chanler v. Jamestown Ins. Co.*, 51,320 (La. App. 2 Cir. 5/17/17), 223 So. 3d 614, *writ denied*, 17-01251 (La. 10/27/17), 228 So. 3d 1230.

This matter presents an uncommon situation. As described above, this Court previously affirmed the trial court's earlier ruling in favor of a motion for partial summary judgment and that judgment was brought before the Louisiana Supreme Court. The Louisiana Supreme Court reversed, holding that:

Based on our review, we find there is a sufficient factual dispute over the interpretation of the agreement which makes summary judgment inappropriate. Accordingly, the judgment of the district court granting partial summary judgment in favor of plaintiff is reversed. The case is remanded to the district court for further proceedings.

Both parties agree that the only thing in the lawsuit that has changed since their previous motions for summary judgment is the enactment of La. R.S. 23:631(F), which states:

The provisions of this Section and R.S. 23:634 shall not apply to profits interest granted or issued by an entity taxed as a partnership for federal income tax purposes.

Maven and MRP argue that La. R.S. 23:631(F) is simply *clarifying* the law, and that this clarification is sufficient to justify the grant of their motion for summary judgment, as they are taxed as partnerships for federal income tax purposes. Thus, Baynham's profit interest acquired in his Class B membership rights are not wages. Maven and MRP contend that because

La. R.S. 23:631(F) simply clarifies existing law, it is interpretative and should be applied retroactively. Baynham, on the other hand, argues that the timing and language of the legislative change is neither coincidental nor untargeted to this pending litigation, and that the 2025 amendment to La. R.S. 23:631(F) was a **substantive** change to the law and cannot be applied retroactively to the matter at hand, as his rights were vested prior to the substantive change in the law.

The Louisiana Supreme Court has previously found that this case involves factual disputes regarding the interpretation of the agreements between the parties, and we conclude those factual disputes have not been resolved in the time period since its ruling and the renewed motion for summary judgment. The enactment of La. R.S. 23:631(F) occurred on June 8, 2025, and was effective August 1, 2025, more than a month before the Louisiana Supreme Court's earlier ruling in this matter on September 24, 2025. The Supreme Court's consideration of this matter was after enactment of La. R.S. 23:631(F). The arguments of Maven and MRP today of the retroactive application of the "clarification" by the legislature of the law would have been considered by the Supreme Court and, if controlling, it could have resolved all issues in this matter by concluding there were no genuine issues of material fact. Such is not the case, and the Supreme Court held genuine issues of material fact remained.

Considering the above, we affirm the trial court and find that there are sufficient questions of material fact that prevent the granting of a motion for summary judgment currently. There remain unresolved material considerations of, among other items, the contradictory provisions of the operating agreements and consideration by the trial court of La. R.S.

23:631(F). Accordingly, Maven and MRP's assignments of error on this topic are without merit.

Finally, Maven and MRP assert the following as their fourth assignment of error:

Fourth Assignment of Error: The district court erred in denying defendants' peremptory exception of cause of action in light of Public Act 113 of 2025, which clarified existing law that the LWPA does not apply to profit interests issued by entities taxed as a partnership under federal tax law like MRP and MRM.

The function of the peremptory exception of no cause of action is to test the legal sufficiency of the petition, which is done by determining whether the law affords a remedy on the facts alleged in the pleading.

Ramey v. DeCaire, 03-1299 (La. 3/19/04), 869 So. 2d 114. La. C.C.P. art.

931 states that no evidence may be introduced at any time to support or controvert the objection that the petition fails to state a cause of action.

Therefore, the court reviews the petition and accepts well-pleaded

allegations of fact as true. *Ramey, supra*. All doubts are resolved in favor of

the sufficiency of the petition to afford litigants their day in court. *Jackson*

v. City of New Orleans, 12-2742 (La. 1/28/14), 144 So. 3d 876. The issue at

the trial of the exception of no cause of action is whether, on the face of the

petition, the plaintiff is legally entitled to the relief sought. *Ramey, supra*.

An appellate court's review of a trial court's ruling sustaining or denying an exception of no cause of action is de novo because the exception raises a question of law, and the trial court's decision is based only on the sufficiency of the petition. *Grayson v. Gullede*, 55,214 (La. App. 2 Cir. 9/27/23), 371 So. 3d 1133, *writ denied*, 23-01437 (La. 1/10/24), 376 So. 3d 847.

A review of the record makes clear that Baynham successfully stated causes of action on the face of the petition for which he could be entitled to relief, including asserting additional causes of action for conversion and unjust enrichment. As noted above, the Louisiana Supreme court has determined that there are questions of fact in this case sufficient to make summary judgment inappropriate. Just as summary judgment would be inappropriate in this case, so would an exception of no cause of action. The face of Baynham's petition has alleged facts and law, and he has asserted a theory of different causes of action that could entitle him to relief. For these reasons, this assignment of error is without merit.

CONCLUSION

For the above reasons, the trial court's ruling is affirmed. Costs of this appeal are assessed to defendants Maven Royalty Management LLC, and Maven Royalty Partners.

AFFIRMED.