UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF GEORGIA, ATLANTA DIVISION

Stephens v. Greensky, LLC

No. 1:25-CV-3194-TWT (N.D. Ga. Feb. 11, 2026) · No. 1:25-CV-3194-TWT · Decided February 11, 2026

SUMMARY

The United States District Court for the Northern District of Georgia grants Greensky, LLC’s motion to compel arbitration in an FLSA action concerning unpaid minimum wages and overtime. The court concludes that the plaintiffs’ employment arbitration agreements cover their claims against Greensky despite its divestiture from Goldman Sachs, applying Georgia contract and agency principles. The court directs the plaintiffs to submit their claims to individual arbitration and stays the litigation.

CASE DETAILS

COURT	United States District Court for the Northern District of Georgia, Atlanta Division
WRITING FOR THE COURT	Thomas W. Thrash, Jr.
JURISDICTION	United States District Court for the Northern District of Georgia, Atlanta Division
DECIDED	February 11, 2026
DOCKET	1:25-CV-3194-TWT
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to compel arbitration of Plaintiffs' Fair Labor Standards Act claims. The court granted the motion and stayed the litigation pending individual arbitration.
STANDARD OF REVIEW	On a motion to compel arbitration, the court determines whether the parties agreed to arbitrate the dispute and, if so, whether external legal constraints foreclose arbitration. State contract law governs validity, revocability, and enforceability of the arbitration agreement.
PRECEDENTIAL VALUE	unpublished district court opinion; persuasive authority only

TOPICS

employment arbitration · flsa · wage and hour · arbitration · civil procedure

PRACTICE AREAS

employment law | wage and hour | arbitration | civil procedure

QUESTIONS PRESENTED

1. Whether the parties agreed to arbitrate Plaintiffs' FLSA claims.
2. Whether Goldman Sachs's divestiture of Greensky terminated or otherwise invalidated the employment arbitration agreements.
3. Whether Greensky, a nonsignatory to the agreements, was bound under agency or third-party-beneficiary principles.
4. Whether any external legal constraint, including unconscionability, fraud, duress, or a statutory prohibition, foreclosed arbitration.

HOLDINGS

1. The FLSA claims fell within the broad arbitration clauses covering disputes arising out of or relating in any way to employment or association with Goldman Sachs or its affiliates.
2. Goldman Sachs's divestiture of Greensky did not terminate or invalidate the arbitration agreements.
3. Greensky was bound by the arbitration agreements under agency principles.
4. Alternatively, Greensky was an intended third-party beneficiary of the employment arbitration agreements.
5. No external legal constraint foreclosed arbitration because Plaintiffs did not establish unconscionability, fraud, duress, or a statutory prohibition against arbitration of their FLSA claims.

KEY QUOTATIONS

> *"A written provision in . . . a contract evidencing a transaction involving commerce to settle by arbitration a controversy thereafter arising out of such contract or transaction . . . shall be valid, irrevocable, and enforceable, save upon such grounds as exist at law or in equity for the revocation of any contract . . . ."* (at 2)

> *"Non-signatory business entities are covered by arbitration agreements entered into by corporations which are their alter egos."* (at 7)

> *"The beneficiary must be identified, but need not be specifically named."* (at 8)

FACTUAL BACKGROUND

Plaintiffs were current or former hourly customer solution advocates for Greensky and alleged that Greensky failed to pay minimum wages and overtime for integral and indispensable off-the-clock work. Plaintiff Stephens signed an Employment Agreement Regarding Arbitration of Disputes in November 2022, and other plaintiffs signed comparable agreements in April 2022, when Greensky was a Goldman Sachs subsidiary or affiliate. After Goldman Sachs divested Greensky, a March 2024 letter notified employees of the divestiture and stated that existing confidentiality and similar obligations to Greensky or Goldman Sachs continued according to their terms.

PROCEDURAL HISTORY

Plaintiffs filed an FLSA action alleging unpaid minimum wages and overtime for off-the-clock work. Greensky moved to compel arbitration based on employment arbitration agreements executed while Greensky was a Goldman Sachs subsidiary or affiliate. The district court granted the motion, directed Plaintiffs to submit their claims to individual arbitration, and stayed the case.

DISPOSITION

other

CASES CITED

- 428 F.3d 1359, 1367 (11th Cir. 2005)
- 473 U.S. 614, 627-28 (1985)
- 544 F.3d 1192, 1195 (11th Cir. 2008)
- 357 Ga. App. 666, 666 (2020)
- 324 F.Supp.3d 1288, 1299-1300 (M.D. Ga. 2018)
- 106 Ga. App. 328, 332 (1962)
- 48 Ga. App. 378 (1934)
- 72 Ga. App. 179, 180 (1945)
- 261 Ga. 267, 268 (1991)
- 174 Ga. App. 507, 508 (1985)
- 234 Ga. App. 277, 280 (1998)
- 7 F.3d 1110, 1122 (3d Cir. 1993)
- 236 Ga. 500, 502 (1976)
- 172 Ga. App. 798, 800 (1984)
- 226 Ga. App. 598, 599 (1997)
- 348 Ga. App. 132, 135 (2018)
- 428 F.3d 1359, 1378 (11th Cir. 2005)
- 267 Ga. 390, 392 (1996)
- 640 Fed. Appx. 917, 925 (Fed. Cir. 2016)
