

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
VIRGINIA, CHARLOTTESVILLE DIVISION

Lee Bayless v. BRX, Inc. and Federal Express Corporation

Bayless · No. 3:25-cv-00077 · Decided May 19, 2026

SUMMARY

The United States District Court for the Western District of Virginia approved a settlement resolving Lee Bayless’s claims for unpaid regular and overtime wages under the Fair Labor Standards Act and Virginia wage laws. The court found a bona fide dispute, determined that the \$10,000 payment to Bayless and \$15,000 in attorney’s fees were fair and reasonable, and granted the parties’ joint motion. The case was dismissed with prejudice, with the court retaining jurisdiction to enforce the settlement upon notice that it had been paid.

CASE DETAILS

COURT	United States District Court for the Western District of Virginia, Charlottesville Division
WRITING FOR THE COURT	Jasmine H. Yoon
JURISDICTION	United States District Court for the Western District of Virginia, Charlottesville Division
DECIDED	May 19, 2026
DOCKET	3:25-cv-00077
DISPOSITION	dismissed
PROCEDURAL POSTURE	The parties jointly moved for approval of an individual Fair Labor Standards Act settlement and dismissal with prejudice.
STANDARD OF REVIEW	The court reviewed whether the parties had a bona fide dispute over FLSA provisions, whether the settlement was a fair and reasonable compromise, and whether the attorney's fees were reasonable.
PRECEDENTIAL VALUE	unpublished district court memorandum opinion; persuasive but not precedential
PARTIES	Lee Bayless v. BRX, Inc., Federal Express Corporation

TOPICS

- flsa
- wage and hour
- attorney fees
- civil procedure
- employment law

PRACTICE AREAS

employment law

wage and hour

civil procedure

remedies

QUESTIONS PRESENTED

1. Whether the parties' FLSA claims involved a bona fide dispute sufficient to support court-approved settlement.
2. Whether the proposed individual FLSA settlement was a fair and reasonable compromise.
3. Whether the attorney's fees allocated under the settlement agreement were reasonable.
4. Whether the action should be dismissed with prejudice while the court retained jurisdiction to enforce the settlement.

HOLDINGS

1. A bona fide dispute existed because Bayless alleged entitlement to unpaid overtime while Defendants denied liability and disputed the compensability of alleged working time, joint-employer status, and other defenses.
2. The individual settlement was a fair and reasonable compromise of the disputed FLSA claims.
3. The \$15,000 attorney's-fee allocation was reasonable.

KEY QUOTATIONS

"Settlement of an FLSA claim must be supervised by the Secretary of Labor or approved by a federal district court."

"Accordingly, for the above stated reasons, the court finds that the settlement is a fair and reasonable compromise over the issues presented here."

FACTUAL BACKGROUND

Bayless alleged that BRX and FedEx were his employers or joint employers and failed to compensate him properly for regular and overtime work performed as a delivery driver. The parties disputed the hours worked, which activities constituted compensable working time, whether FedEx was a joint employer, and whether any violations were willful. Based on wage records, FedEx Hours of Service data, damage modeling, discovery, and settlement negotiations, the parties agreed to a settlement providing Bayless \$10,000 for unpaid overtime and \$15,000 in attorney's fees.

PROCEDURAL HISTORY

Bayless filed suit alleging unpaid regular and overtime wages under the FLSA and Virginia wage statutes. The parties exchanged wage and hours records, participated in a settlement conference, and reached a single-plaintiff settlement. The court approved the settlement, approved the allocated attorney's fees, dismissed the action with prejudice, and retained jurisdiction to enforce the settlement after a joint notice that it had been paid.

DISPOSITION

dismissed

CASES CITED

- LaFleur v. Dollar Tree Stores, Inc., 189 F. Supp. 3d 588, 593 (E.D. Va. 2016)
- Taylor v. Progress Energy, Inc., 415 F.3d 364, 374 (4th Cir. 2005)
- Jones v. 573 LLC, No. 7:22-cv-00486, 2022 WL 17540269, at *1 (W.D. Va. Dec. 8, 2022)
- Lynn's Food Stores, Inc. v. United States, 679 F.2d 1350, 1355 (11th Cir. 1982)
- Patel v. Barot, 15 F. Supp. 3d 648, 654-56 (E.D. Va. 2014)
- Duprey v. Scotts Co. LLC, 30 F. Supp. 3d 404, 407-08 (D. Md. 2014)
- Baust v. City of Va. Beach, 574 F. Supp. 3d 358, 365 (E.D. Va. 2021)
- Rosales v. Rock Spring Contracting LLC, No. 3:23-cv-00407, 2024 WL 1417955, at *4 (E.D. Va. Apr. 2, 2024)
- Lomascolo v. Parsons Brinckerhoff, Inc., No. 1:08-cv-01310, 2009 WL 3094955, at *10, *12 (E.D. Va. Sept. 28, 2009)
- Gholston v. Smithfield Foods, Inc., No. 2:21-cv-00194, 2022 WL 21842305, at *5-*6 (E.D. Va. Nov. 2, 2022)
- Poulin v. Gen. Dynamics Shared Res., Inc., No. 3:09-cv-00058, 2010 WL 1813497, at *1 (W.D. Va. May 5, 2010)
- Philemon v. Veerapalli, No. 3:22-cv-00025, 2023 WL 1930372, at *2 (W.D. Va. Feb. 10, 2023)
- Grissom v. The Mills Corp., 549 F.3d 313, 320 (4th Cir. 2008)

OPINION

Bayless

PER CURIAM.

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
CHARLOTTESVILLE DIVISION

CLERKS OFFICE US DISTRICT COURT

AT CHARLOTTESVILLE, VA

FILED

Lee Bayless,) May 19 , 2026)

LAURA A. AUSTIN, CLERK

Plaintiff,) BY: /s/ Kayla Lokey

) DEPUTY CLERK

v.)) BRX, INC.) Civil Action No. 3:25-cv-00077) and)) Federal Express Corporation,))
Defendants.)

MEMORANDUM OPINION AND ORDER

This matter is before the court on the Joint Motion for Approval of the Fair Labor Standards Act

(“FLSA”) Settlement and Dismissal with Prejudice filed by Plaintiff Lee Bayless and BRX, Inc. (“BRX”) and Federal Express Corporation (“FedEx”). (Dkt. 23.) The parties reached a settlement through a settlement conference with United States Magistrate Judge Joel C. Hoppe on March 24, 2025. (See Dkt. 22.) For the reasons discussed below, the court grants the motion. I. Background

On September 22, 2025, Plaintiff filed suit for unpaid regular and overtime wages, alleging that Defendants violated the Fair Labor Standards Act (“FLSA”), 29 U.S.C. § 201 et seq., the Virginia Overtime Wage Act (“VOWA”), Va. Code § 40.1-29.2, and the Virginia Wage Payment Act (“VWPA”), Va. Code § 40.1-29. (Compl. ¶ 1 (Dkt. 1).) Plaintiff brought this action on behalf of himself and other similarly situated delivery drivers who were paid by BRX to deliver packages for FedEx. (Id. ¶ 3.) This case was settled, though, as a single plaintiff settlement for Bayless.¹ (Mem. in Supp. of Joint Mot. for Appr. of FLSA Settlement and Dismissal with Prejudice at 2 (Dkt. 24) [hereinafter “Joint Br.”].) Plaintiff alleged that Defendants were his employers or joint employers, and that he was not compensated appropriately for the time spent working for Defendants because of their policies and practices. (Id.) Defendants denied and continue to deny any wrongdoing, and FedEx denies that it was a joint employer of Plaintiff. (Id.) After extensive investigation and research at the outset of this case by Plaintiff’s counsel and subsequent discussions between the parties, the case was stayed on August 29, 2025, pending a settlement conference with Judge Hoppe. (Id. at 2–3; Dkt. 14.) The parties used damage modeling based on data from BRX and FedEx records and ultimately disputed which, if any, hours captured by the damages model constituted compensable working time under the FLSA and the applicable Virginia wage laws. (Joint Br. at 3.) After a settlement conference with Judge Hoppe, the parties reached a settlement agreement resolving all claims and issues between the parties. (Id. at 4.)

II. Standard of Review

Settlement of an FLSA claim must be supervised by the Secretary of Labor or approved by a federal district court. *LaFleur v. Dollar Tree Stores, Inc.*, 189 F. Supp. 3d 588, 593 (E.D. Va. 2016) (citing *Taylor v. Progress Energy, Inc.*, 415 F.3d 364, 374 (4th Cir. 2005)); *Jones v. 573 LLC*, No. 7:22-cv-00486, 2022 WL 17540269, at *1 (W.D. Va. Dec. 8, 2022). District courts in the Fourth Circuit have generally followed the guidelines for FLSA settlement approval set forth in *Lynn’s Food Stores, Inc. v. United States*, 679 F.2d 1350 (11th Cir. 1982). See *Patel v. Barot*, 15 F. Supp. 3d 648, 654 (E.D. Va. 2014); *Duprey v. Scotts Co. LLC*, 30 F. Supp. 3d 404, 407–08 (D. Md. 2014) (“Although the Fourth Circuit has not addressed the factors to be considered in approving FLSA settlements, district courts in this circuit typically employ the considerations set forth by the Eleventh Circuit in *Lynn’s Food Stores*.” (cleaned up).) Courts undertake this review to ensure that the settlement is a “fair and reasonable resolution of a bona fide dispute over FLSA provisions.” *Patel*, 15 F. Supp. 3d at 654 (citing *Lynn’s Food Stores*, 679 F.2d at 1355). The analysis can be broken down into three steps; the district court must determine: (1) whether there are FLSA issues in dispute, (2) whether the settlement is a fair and reasonable compromise over the issues, and (3) whether the attorney’s fees,

if included in the settlement agreement, are reasonable. Duprey, 30 F. Supp. 3d at 408 (citations omitted). III. Analysis Courts have found a bona fide FLSA dispute where the parties disagree as to whether the plaintiff is entitled to overtime pay under the FLSA. See, e.g., *Baust v. City of Va. Beach*, 574 F. Supp. 3d 358, 365 (E.D. Va. 2021); *Rosales v. Rock Spring Contracting LLC*, No. 3:23-cv-00407, 2024 WL 1417955, at *4 (E.D. Va. Apr. 2, 2024). Here, Plaintiff alleges that Defendants violated FLSA by not paying him the overtime wages that he was due. (Joint Br. at 5.) Defendants have “at all times denied liability” and would have asserted various rebuttals and affirmative defenses should the case have proceeded to trial. (Id. at 6, 9.) Accordingly, the court finds a bona fide dispute between the parties over FLSA provisions. In determining whether an FLSA settlement is fair and reasonable, there is a “strong presumption in favor of finding a settlement fair.” *LaFleur*, 189 F. Supp. 3d at 593 (cleaned up). Courts typically weigh six factors in evaluating a settlement agreement of this nature, including (1) “the extent of discovery that has taken place”; (2) “the stage of the proceedings, including the complexity, expense, and likely duration of the litigation”; (3) “the absence of fraud or collusion in the settlement”; (4) “the experience of counsel who have represented the plaintiff[]”; (5) “the probability of plaintiff[’s] success on the merits”; and (6) “the amount of the settlement in relation to the potential recovery.” Id. (citing *Lomascolo v. Parsons Brinckerhoff, Inc.*, No. 1:08-cv-01310, 2009 WL 3094955, at *10 (E.D. Va. Sept. 28, 2009)). Here, all six factors support approving the settlement. The parties exchanged extensive wage and hours records from BRX and Hours of Service data from FedEx, which helped the parties support their respective positions and determine that a settlement was the optimal resolution of the matter. (Joint Br. at 3, 8.) Many issues here, including establishing hours worked and wages owed, whether FedEx was a joint employer, and whether any alleged FLSA violations were willful, would have made litigation “complex, expensive, and protracted.” (Id. at 3, 8–9.) Settlement at this stage of the litigation through arm’s length settlement negotiations provides significant monetary relief to Plaintiff and saves both parties substantial legal expenses. Without any evidence to the contrary, courts presume that no fraud or collusion occurred between counsel. See *Lomascolo*, 2009 WL 3094955, at *12. Here too, the court finds no evidence of fraud or collusion—the parties negotiated over several weeks through formal discovery and reached settlement through a settlement conference with Judge Hoppe. (Joint. Br. at 9–10.) Plaintiff’s counsel has substantial experience of litigating wage and hours cases in Virginia, (id. at 10–11), and this experience weighs in favor of finding the settlement fair and reasonable. *Gholston v. Smithfield Foods, Inc.*, No. 2:21-cv-00194, 2022 WL 21842305, at *5 (E.D. Va. Nov. 2, 2022). Evidence presented that Plaintiff faces significant hurdles to recovery under the FLSA weighs in favor of finding the settlement fair. *Patel*, 15 F. Supp. 3d at 656. If the parties pursued litigation, “Defendants would have vigorously contested the merits of Plaintiff’s claims.” (Joint Br. at 12.) Defendants would have argued that Plaintiff was paid for all hours worked, that certain types of activities were not compensable, and that liquidated damages would have been unavailable to Plaintiff—all of which would have significantly limited Plaintiff’s possible recovery. (Id. at 11–

12.) Considering these hurdles and the chance that Plaintiff could have recovered nothing if Defendants prevailed at summary judgment or trial, the court finds Plaintiff's recovery of \$10,000 for unpaid overtime to be reasonable and fair. (See *id.* at 13–14.) This amount is over \$3,000 more than Plaintiff's calculation of his unpaid overtime, which is the maximum he could receive without liquidated damages if Defendants prevailed on their "good faith" defense. (*Id.* at 13.) Accordingly, for the above stated reasons, the court finds that the settlement is a fair and reasonable compromise over the issues presented here. Finally, the court reviews the attorneys' fees included in the settlement agreement to "assure both that counsel is compensated adequately and that no conflict of interest taints the amount the wronged employee recovers under a settlement agreement." *Poulin v. Gen. Dynamics Shared Res., Inc.*, No. 3:09-cv-00058, 2010 WL 1813497, at *1 (W.D. Va. May 5, 2010) (citation omitted). Courts typically use the lodestar method to review the fairness of the attorney's fees, and there is a strong presumption that the lodestar figure is reasonable. See *Philemon v. Veerapalli*, No. 3:22-cv-00025, 2023 WL 1930372, at *2 (W.D. Va. Feb. 10, 2023). The lodestar fee is calculated by multiplying the reasonable hourly rate by the number of hours reasonably expended. *Grissom v. The Mills Corp.*, 549 F.3d 313, 320 (4th Cir. 2008). Plaintiffs counsel's calculated lodestar fee is just under \$30,000, and the settlement agreement allocates \$15,000 to Plaintiffs attorney's fees. (Joint Br. at 14, 16.) FLSA cases are fact-intensive and require significant commitments of time and personnel to litigate. *Gholston*, 2022 WL 21842305, at *6. The court finds no evidence that the fee is unreasonable. In fact, the bargained-for fee represents a significant discount from the lodestar calculation and Plaintiff considers the settlement to be a significant success. (See Joint Br. at 14, 16, 18.) Accordingly, the court finds that the attorney's fees included in the settlement agreement are reasonable. IV. Conclusion For these reasons, the court GRANTS the parties' joint motion for settlement approval. (Dkt. 23.) As requested by the parties, the court will dismiss the case with prejudice while retaining jurisdiction to enforce the terms of the settlement "upon filing of a joint notice by the parties that the settlement has been paid." (*Id.*) The Clerk is directed to send a copy of this Memorandum Opinion and Order to all counsel of record. ENTERED this 19th day of May, 2026.

HON. JASMINE H. YOON

UNITED STATES DISTRICT JUDGE

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