UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

Stefan Touani and Nick Mazza, individually and on behalf of all others similarly situated v. Limble Solutions, Inc.

Touani · No. 2:26-cv-00033 · Decided January 30, 2026

SUMMARY

The United States District Court for the District of Utah denied without prejudice the parties' stipulated motion for approval of a proposed Fair Labor Standards Act settlement. The court found a bona fide dispute, concluded that the proposed compensation, attorneys' fees, and costs appeared fair and reasonable, but identified unresolved issues concerning conditional certification and whether prospective collective members could opt in by cashing settlement checks after final approval. The court required the parties to seek conditional certification and either propose a pre-approval opt-in process or provide authoritative legal support for the proposed one-step procedure.

CASE DETAILS

COURT	United States District Court for the District of Utah
WRITING FOR THE COURT	David Barlow
JURISDICTION	United States District Court for the District of Utah
DECIDED	January 30, 2026
DOCKET	2:26-cv-00033
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiffs and Defendant jointly moved for approval of a proposed Fair Labor Standards Act settlement agreement. The district court denied the stipulated motion without prejudice.
STANDARD OF REVIEW	The court applied the standards governing judicial review of FLSA settlements, requiring consideration of whether the agreement resolves a bona fide dispute, is fair and reasonable to the parties, and provides a reasonable award of attorneys' fees.
PRECEDENTIAL VALUE	unpublished
PARTIES	Stefan Touani, Nick Mazza v. Limble Solutions, Inc.

TOPICS

flsa · class actions · employment law · civil procedure · attorney fees

PRACTICE AREAS

employment law · civil procedure · remedies

QUESTIONS PRESENTED

1. Whether the proposed FLSA settlement resolved a bona fide dispute.
2. Whether the proposed FLSA settlement was fair and reasonable.
3. Whether the requested attorneys' fees and costs were reasonable.
4. Whether the court could approve the settlement without conditional certification of the proposed FLSA collective.
5. Whether prospective collective members could become parties and be bound by the settlement by cashing or depositing checks after settlement approval, without first filing written consents with the court.

HOLDINGS

1. The parties demonstrated a bona fide dispute because they materially disagreed about whether the employees were exempt and about the number of overtime hours worked.
2. The proposed settlement appeared fair and reasonable based on arm's-length negotiations, informal discovery, mediation, disputed factual issues, and an equitable allocation of the settlement fund.
3. The requested attorneys' fees of up to one-third of the common fund and $3,808.74 in costs were reasonable under the circumstances.
4. Before approving the proposed final settlement, the parties must move for conditional certification of the proposed FLSA collective or otherwise provide authoritative support for proceeding without certification.
5. The court would not approve the proposed one-step settlement procedure under which prospective collective members became bound by cashing checks after approval without first opting in through written consents filed with the court.

KEY QUOTATIONS

> *"Instead, its sole consequence "is the sending of court-approved written notice to employees, who in turn become parties to a collective action only by filing written consent with the court.""* (Discussion § IV.A)

> *"Before the court will approve this final settlement, the parties must move for conditional certification and either (1) propose a notice procedure that would allow putative collective action members to opt-in prior to the final approval or (2) submit a new motion explaining—with authoritative caselaw—how § 219(b) permits the court to simultaneously resolve the named plaintiffs' claims and authorize a binding settlement agreement on behalf of putative collective members who have not yet joined the case as parties."* (Discussion § IV.B)

FACTUAL BACKGROUND

Plaintiffs alleged that Limble improperly classified sales development representatives as exempt from FLSA overtime requirements and that the employees regularly worked at least five hours of overtime per week. Limble denied liability, contending that the employees were properly classified as exempt and generally did not work overtime. The proposed settlement would establish a $255,000 fund for fifty-seven prospective collective members, with one-third allocated to attorneys' fees, up to $7,500 for costs, and $10,000 service awards for each named plaintiff.

PROCEDURAL HISTORY

Former employees filed an FLSA action alleging that Limble misclassified sales development representatives as exempt from overtime and failed to pay wages owed. Before litigation, the parties exchanged informal discovery, negotiated, mediated in October 2025, and executed a proposed settlement. The court found the settlement presented a bona fide dispute and appeared fair and reasonable, but denied approval because the parties had not sought conditional certification and had not established a legally sufficient opt-in procedure.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. The stipulated motion to approve the settlement was denied without prejudice. Before seeking final approval, the parties must move for conditional certification and either propose a procedure allowing putative collective members to opt in before final approval or file a motion supported by authoritative case law explaining how the statute permits simultaneous resolution of the named plaintiffs' claims and approval of a binding settlement for members who have not yet joined.

CASES CITED

- Pichler v. Cotiviti, Inc., No. 2:23-CV-0884-AMA, 2024 WL 3089897, at *3 (D. Utah 2024)
- Bingham v. doTERRA International, LLC, No. 2:23-CV-00707-DBB-DBP, 2025 WL 1474036, at *1-*2 (D. Utah May 22, 2025)
- Keel v. O'Reilly Auto Enterprises, LLC, No. 2:17-CV-667, 2018 WL 10509413, at *2-*3 (D. Utah May 31, 2018)
- Cazeau v. TPUSA, Inc. (Cazeau I), No. 218CV00321RJSCMR, 2020 WL 3605652, at *3, *6 (D. Utah July 2, 2020)
- Collins v. Sanderson Farms, Inc., 568 F. Supp. 2d 714, 719 (E.D. La. 2008)
- Dees v. Hydradry, Inc., 706 F. Supp. 2d 1227, 1242 (M.D. Fla. 2010)
- Felix v. Thai Basil at Thornton, Inc., No. 14-cv-02567-MSK-CBS, 2015 WL 2265177, at *2 (D. Colo. May 6, 2015)
- Rutter & Wilbanks Corp. v. Shell Oil Co., 314 F.3d 1180, 1188 (10th Cir. 2002)
- Acevedo v. Southwest Airlines Co., No. 1:16-CV-00024-MV-LF, 2019 WL 6712298, at *2 (D.N.M. Dec. 10, 2019)

- Lucas v. Kmart Corp., 234 F.R.D. 688, 693 (D. Colo. 2006)
- Morton v. Transcend Services, Inc., No. 15-CV-01393-PAB-NYW, 2017 WL 977812, at *2 (D. Colo. Mar. 13, 2017)
- Cazeau v. TPUSA, Inc. (Cazeau II), No. 218CV00321RJSCMR, 2021 WL 1688540, at *8-*10 (D. Utah Apr. 29, 2021)
- Gottlieb v. Barry, 43 F.3d 474, 482 & n.4 (10th Cir. 1994)
- Uselton v. Commercial Lovelace Motor Freight, Inc., 9 F.3d 849, 854 (10th Cir. 1993)
- Thiessen v. General Electric Capital Corp., 267 F.3d 1095, 1102, 1105 (10th Cir. 2001)
- Vaszlavik v. Storage Technology Corp., 175 F.R.D. 672, 678 (D. Colo. 1997)
- Genesis Healthcare Corp. v. Symczyk, 569 U.S. 66, 75 (2013)
- Christeson v. Amazon.com.ksdc, LLC, No. CV 18-2043-KHV, 2019 WL 354956, at *4 (D. Kan. Jan. 29, 2019)
- Prim v. Ensign United States Drilling, Inc., No. 15-CV-02156-PAB-KMT, 2018 WL 3729515, at *2 (D. Colo. Aug. 3, 2018)
- Kennedy v. Mountainside Pizza, Inc., No. 19-CV-01199-CMA-STV, 2021 WL 5882138, at *3 (D. Colo. Dec. 13, 2021)
