UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

Rikki James, et al. v. iMoney Tools, LLC dba Tranont

Case No. 2:24-cv-00522-RJS (D. Utah Feb. 9, 2026) · No. 2:24-cv-00522-RJS · Decided February 9, 2026

SUMMARY

The United States District Court for the District of Utah partially grants and partially denies Tranont's motion for attorney fees after dismissal of a case brought by twelve minors alleging harm from contaminated dietary supplements. The court finds that guardian Rikki James acted in bad faith based on insufficient and contradictory evidentiary support, improper motive, and discovery conduct, but finds insufficient evidence of bad faith by the other guardians. The court applies the inherent-authority bad-faith exception to the American Rule and evaluates the reasonableness of the requested fees under the lodestar approach.

CASE DETAILS

COURT	United States District Court for the District of Utah
WRITING FOR THE COURT	Robert J. Shelby
JURISDICTION	United States District Court for the District of Utah
DECIDED	February 9, 2026
DOCKET	2:24-cv-00522-RJS
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved for attorney fees after the court dismissed the Second Amended Complaint without prejudice for failure to respond to an order to show cause concerning subject-matter jurisdiction. The motion sought fees under the court's inherent authority, Federal Rule of Civil Procedure 37, and a contract. The court awarded fees under its inherent authority but denied relief as to the guardians other than Rikki James and reduced the requested lodestar.
STANDARD OF REVIEW	The court exercised its discretionary inherent authority to impose sanctions and assessed the reasonableness of fees under the lodestar method. An award under the bad-faith exception to the American Rule required clear evidence of bad faith, improper motive, and fees incurred as a result of the misconduct.
PRECEDENTIAL VALUE	unpublished

TOPICS

attorney fees · sanctions · subject matter jurisdiction · discovery dispute · civil procedure

PRACTICE AREAS

civil procedure · remedies · commercial litigation · health law

QUESTIONS PRESENTED

1. Whether the court could award attorney fees under its inherent authority based on bad-faith abuse of the judicial process.
2. Whether the evidence established bad faith by Rikki James but not by the other plaintiffs' guardians.
3. Whether Tranont's requested attorney fees were reasonable under the lodestar method.
4. Whether the fees should be allocated among the plaintiffs based on Rikki James's role as guardian for four of the twelve plaintiffs.

HOLDINGS

1. A court may award attorney fees under its inherent authority when a party acts in bad faith, vexatiously, wantonly, or for oppressive reasons, but the exception to the American Rule is narrow and requires clear evidence of bad faith or improper motive.
2. Rikki James acted in bad faith in bringing the action, as shown by the absence of factual support, contradictory evidence, failure to meaningfully participate in discovery, and messages demonstrating an improper motive.
3. Tranont established a presumptively reasonable lodestar of $138,615.50 through adequate billing records and reasonable hourly rates, but the award required a further reduction based on the seriousness of the violation and the relative responsibility of Rikki James.

KEY QUOTATIONS

> *"The court possesses the inherent authority to preserve the integrity of judicial proceedings by punishing abuses of the judicial process through the crafting and imposition of appropriate sanctions."* (Legal Standard)

> *"The bad faith exception is construed narrowly and "resorted to only in exceptional cases . . . when there is clear evidence that challenged actions [were] taken" in bad faith."* (Legal Standard)

> *"Taken together, these messages—along with the apparently false information provided to her lawyers before initiating this lawsuit and refusal to meaningfully participate in discovery—are "clear evidence" Ms. James had an improper motive in bringing this action, which the court concludes was "designed to cause embarrassment and humiliation.""* (Analysis § I.B)

> *"Accordingly, the court reduces the lodestar by two-thirds and awards Tranont $46,205.17 in fees from Ms. James."* (Analysis § II.C)

FACTUAL BACKGROUND

Twelve minors alleged that they were poisoned by heavy metals in dietary supplements sold by Tranont. During discovery, eight plaintiffs produced no evidence supporting their claims, and other evidence conflicted with or failed to substantiate specific allegations concerning diagnoses and injuries. Rikki James also sent messages indicating an improper motive related to insurance coverage, potential recovery, and withholding information, while plaintiffs failed to meaningfully participate in discovery.

PROCEDURAL HISTORY

Plaintiffs filed suit on July 26, 2024, later filing a First Amended Complaint and Second Amended Complaint. The court denied Tranont's motion to dismiss, Tranont answered and asserted counterclaims, and the parties proceeded to discovery. After plaintiffs' counsel withdrew, the court stayed the case, ordered plaintiffs to show cause why the case should not be dismissed for lack of subject-matter jurisdiction, and dismissed the Second Amended Complaint without prejudice when newly appearing counsel for four James minors failed to respond. Tranont then moved for attorney fees.

DISPOSITION

other

CASES CITED

- Farmer v. Banco Popular of N. Am., 791 F.3d 1246, 1257 (10th Cir. 2015)
- United States v. Akers, 76 F.4th 982, 993 (10th Cir. 2023)
- Chambers v. NASCO, Inc., 501 U.S. 32, 44-45 (1991)
- Kornfeld v. Kornfeld, 393 F. App'x 575, 578 (10th Cir. 2010)
- United States v. McCall, 235 F.3d 1211, 1216 (10th Cir. 2000)
- Sterling Energy Ltd. v. Friendly Nat'l Bank, 744 F.2d 1433, 1435, 1437 (10th Cir. 1984)
- Mountain W. Mines, Inc. v. Cleveland-Cliffs Iron Co., 470 F.3d 947, 954 (10th Cir. 2006)
- Goodyear Tire & Rubber Co. v. Haeger, 581 U.S. 101, 108-11 (2017)
- FDIC v. Schuchmann, 319 F.3d 1247, 1250 (10th Cir. 2003)
- FTC v. Kuykendall, 466 F.3d 1149, 1152 (10th Cir. 2006)
- Woodmen of World Life Ins. Soc'y v. Manganaro, 342 F.3d 1213, 1216 (10th Cir. 2003)
- St. Paul Mercury Indem. Co. v. Red Cab Co., 303 U.S. 283, 289 (1938)
- Exxon Mobil Corp. v. Allapattah Servs., Inc., 545 U.S. 546, 549 (2005)
- United States v. Hunt, 63 F.4th 1229, 1238 (10th Cir. 2023)
- Roth v. Green, 466 F.3d 1179, 1193 (10th Cir. 2006)
- Wright v. CompGeeks.com, 429 F. App'x 693, 697-98 (10th Cir. 2011)
- United Phosphorus, Ltd. v. Midland Fumigant, Inc., 205 F.3d 1219, 1233-34 (10th Cir. 2000)
- Derma Pen, LLC v. 4EverYoung Ltd., No. 2:13-cv-00729-DN, 2019 WL 2929525, at *2 (D. Utah July 8, 2019), aff'd, 999 F.3d 1240 (10th Cir. 2021)

- John Bean Techs. Corp. v. B GSE Grp., LLC, No. 1:17-cv-00142-RJS, 2023 WL 6164322, at *17 (D. Utah Sept. 21, 2023)
- Mares v. Credit Bureau of Raton, 801 F.2d 1197, 1210 (10th Cir. 1986)
- Hensley v. Eckerhart, 461 U.S. 424, 433-34 (1983)
- Webb v. County of Stanislaus, No. 2:21-MC-00696-JNP-JCB, 2022 WL 1288857, at *4 (D. Utah Apr. 29, 2022)
- Case v. Unified Sch. Dist. No. 233, 157 F.3d 1243, 1250, 1255, 1257 (10th Cir. 1998)
- Johnson v. Georgia Highway Express, Inc., 488 F.2d 714, 717-19 (5th Cir. 1974)
- Uselton v. Commercial Lovelace Motor Freight, Inc., 9 F.3d 849, 854 (10th Cir. 1993)
- Malloy v. Monahan, 73 F.3d 1012, 1018 (10th Cir. 1996)
- Blum v. Stenson, 465 U.S. 886, 895 n.11 (1984)
- Ramos v. Lamm, 713 F.2d 546, 555 (10th Cir. 1983)
- Perdue v. Kenny A. ex rel. Winn, 559 U.S. 542, 554 (2010)
- Turnbull v. Wilcken, 893 F.2d 256, 259 (10th Cir. 1990)