[DO NOT PUBLISH]

IN THE UNITED STATES COURT OF APPEALS

FOR THE ELEVENTH CIRCUIT

No. 18-14105
Non-Argument Calendar

D.C. Docket No. 8:15-cv-01983-EAK-TGW

MICHAEL MCBRIDE,
on behalf of himself and others similarly situated,

Plaintiff - Appellee,

versus

LEGACY COMPONENTS, LLC,
KENNETH ALVEREZ,

Defendants - Appellants.

Appeal from the United States District Court
for the Middle District of Florida

(June 20, 2019)

Before WILSON, BRANCH, and HULL, Circuit Judges.

PER CURIAM:

This is an appeal about attorney's fees following a court-approved settlement. Because we conclude that the district court did not clearly err when it found that the plaintiff gained some of the relief he sought in the settlement, we affirm its award of attorney's fees.

This litigation began in 2014 when Legacy Components, LLC, sued its former sales representative Michael McBride in Florida state court. Legacy alleged that McBride violated their non-compete agreement after he left employment with Legacy. McBride responded in part by filing this federal labor suit against Legacy in 2015. The federal suit, a putative class and collective action on behalf of Legacy employees, alleged wage violations under the Fair Labor Standards Act ("FLSA"), 29 U.S.C. §§ 201–219, and Florida law.

Legacy and McBride reached a global settlement of both actions in 2016. According to the settlement agreement:

> a. The parties hereby agree that McBride breached the Non-Compete Agreement;
>
> b. As a result of McBride's breach of the Non-Compete Agreement, the parties agree that Legacy incurred damages, including attorney's fees and costs in excess of $150,000.00;
>
> c. Legacy agrees to forego continuing the instant litigation in exchange for McBride dismissing the Federal Suit and the Appeal; and
>
> d. The Plaintiff agrees to file a motion with the Court in the Federal Suit to approve the settlement of MCBRIDE's Federal Suit and determine entitlement, and the amount, if any, of MCBRIDE's

> reasonable attorney's fees and costs which shall be paid by LEGACY. If the Court in the Federal Suit does not dismiss the Federal Suit or approve the settlement, it will not affect the dismissal of the pending State Court lawsuit or the Appeal.

The district court found that the settlement was fair and reasonable and approved it.[1]

The court then considered the question of McBride's entitlement to statutory attorney's fees. The magistrate judge first concluded that McBride was not a "prevailing party" and therefore not entitled to attorney's fees. The district court disagreed and awarded $46,375 in attorney's fees to McBride. Legacy now appeals.[2]

The damages provision of FLSA instructs that a court "shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action." 29 U.S.C. § 216(b). Whether a plaintiff is a prevailing party is reviewed de novo as a question of law. *Dionne v. Floormasters Enters., Inc.*, 667 F.3d 1199, 1203 (11th Cir. 2012). Factual findings underlying that determination are reviewed only for clear error. *Church of Scientology Flag Serv. Org., Inc. v. City of Clearwater*, 2 F.3d 1509,

[1] FLSA suits brought under 29 U.S.C. § 216(b) may be settled only if the district court scrutinizes the proposed settlement for fairness and then enters a stipulated judgment. *Lynn's Food Stores, Inc. v. United States*, 679 F.2d 1350, 1353 (11th Cir. 1982).

[2] McBride then moved our Court to dismiss the appeal for lack of jurisdiction or to grant summary affirmance and appellate attorney's fees. A panel of our Court denied these motions on January 28, 2019.

1512–13 (11th Cir. 1993). Whether to award attorney's fees to a prevailing party is then reviewed for abuse of discretion. *Dionne*, 667 F.3d at 1203.

We agree with the district court that McBride is, as a matter of law, a prevailing party entitled to attorney's fees. "The fact that [a plaintiff] prevailed through a settlement rather than through litigation does not weaken her claim to fees." *Maher v. Gagne*, 448 U.S. 122, 129 (1980). And "settlement agreements enforced through a consent decree may serve as the basis for an award of attorney's fees." *Buckhannon Bd. & Care Home, Inc. v. W. Va. Dep't of Health & Human Res.*, 532 U.S. 598, 604 (2001). The key question in determining prevailing party status is whether the party "has succeeded on any significant claim affording it some of the relief sought. . . . [T]he plaintiff must be able to point to a resolution of the dispute which changes the legal relationship between itself and the defendant." *Tex. State Teachers Ass'n v. Garland Indep. Sch. Dist.*, 489 U.S. 782, 791–92 (1989).

The Supreme Court has also clarified that a plaintiff is not a "prevailing party" when his suit merely triggers the defendant's voluntary change in conduct. *See Buckhannon*, 532 U.S. at 605 (rejecting this "catalyst theory"). In that scenario, the Court explained, there has been "no judicially sanctioned change in the legal relationship of the parties." *Id.* Here, by contrast, the district court concluded that "a settlement agreement expressly approved by the Court was sufficient to meet

the 'judicially sanctioned' requirement of *Buckhannon*." The parties do not dispute this legal conclusion on appeal.

Legacy nonetheless asserts that McBride cannot be a prevailing party because he did not receive a monetary award or otherwise obtain relief on the merits of his FLSA claim—in other words, because he has not "succeeded on any significant claim." *See Tex. State Teachers Ass'n*, 489 U.S. at 791.[3] This argument raises a factual question about the contents of the settlement agreement, which the district court resolved in McBride's favor. It agreed with McBride that "there has been a material alteration of the legal relationship of the parties here because he has avoided having to pay $150,000," the stipulated value of Legacy's state suit against him. The court continued: "Legacy did not waive the right to seek the $150,000 out of pure generosity to Mr. McBride. Instead, Legacy leveraged the potential liability in the State Action to resolve the FLSA claims. The settlement agreement specifically states that Legacy agreed to forego seeking the $150,000 *in exchange* for the dismissal of the instant action." Thus, the district court concluded, "The fact that Legacy may no longer seek those damages is a benefit Mr. McBride

[3] In *Texas State Teachers Association*, the Supreme Court rejected narrowing the definition of a prevailing party to a party who prevailed on the "central issue" and acquired the "primary relief" sought. 489 U.S. at 787, 790–91. Instead, it endorsed a broader definition requiring only success on "any significant issue in litigation which achieves some of the benefit the parties sought in bringing suit." *Id.* at 791–92 (quoting *Hensley v. Eckerhart*, 461 U.S. 424, 433 (1983)). This definition expressly contemplates a plaintiff who has "achieved only limited success" and who achieves it at any stage of the litigation. *Id.* at 789 (quoting *Hensley*, 461 U.S. at 731), 791.

has gained in settling this suit, and it is a material change in the legal relationship of the parties."

We do not conclude that the district court's view of these facts is clearly erroneous. That Legacy continues to disclaim its liability under FLSA is unavailing and unsurprising; many parties who choose to settle a lawsuit do so without admitting liability for the underlying allegations. Nonetheless, whatever the value of the FLSA suit may have been, the global settlement has changed the legal relationship between the parties. Legacy stipulated that it could have obtained substantial damages from McBride in the state non-compete suit. It now cannot; McBride has gained something valuable there.

This case differs from one in which the employer voluntarily tenders back pay after the plaintiff files a FLSA suit. *Cf. Dionne*, 667 F.3d at 1203–05. In *Dionne*, our Court found that the plaintiff was not a prevailing party in that scenario. *See id.* at 1203. We explained that there had been no change in legal relationship between the parties because "[a] defendant's voluntary change in conduct, although perhaps accomplishing what the plaintiff sought to achieve by the lawsuit, lacks the necessary judicial *imprimatur* on the change." *Id.* (quoting *Buckhannon*, 532 U.S. at 605). Here, as we have noted, the parties agree that the necessary judicial *imprimatur* has been struck with the district court's approval of the settlement agreement and entry of stipulated judgment.

Thus, the factual question before us is whether what McBride got in the settlement amounted to success on a significant claim that afforded him some of the relief he sought. *See Tex. State Teachers Ass'n*, 489 U.S. at 791. As we have discussed, it was not clear error for the district court to conclude that McBride gained such a benefit. To be sure, some nuisance settlements, purely technical victories, and other de minimis successes—even judicially sanctioned ones—may not suffice to confer prevailing party status. *See id.* at 792. But we do not conclude that the district court clearly erred when it found that McBride gained real relief that changed the legal relationship between him and Legacy.

Legacy argues in closing that McBride should not be rewarded for vexatiously filing this federal suit merely to generate leverage in his state suit. Perhaps not. But that is a question committed to the sound discretion of the district court, and we do not conclude that the district court abused its discretion in awarding attorney's fees here.

AFFIRMED.