



IN THE MISSOURI COURT OF APPEALS WESTERN DISTRICT

RIA SCHUMACHER, Individually and	)	
on Behalf of Others,	)	
	)	
Appellant,	)	
	)	WD87722
v.	)	
	)	OPINION FILED:
	)	December 2, 2025
SC DATA CENTER, INC., d/b/a	)	
COLONY BRANDS,	)	
	)	
Respondent.	)	

Appeal from the Circuit Court of Cole County, Missouri
The Honorable Jon E. Beetem, Judge

Before Division Three: Mark D. Pfeiffer, Presiding Judge,
Alok Ahuja, Judge, and Thomas N. Chapman, Judge

Ria Schumacher (“Schumacher”), on behalf of a class of plaintiffs, appeals the judgment of the Circuit Court of Cole County, Missouri (“circuit court”), which dismissed the plaintiff class’s petition against SC Data Center, Inc. (“SC Data”), for alleged violations of the Fair Credit Reporting Act (“FCRA”) due to failure to plead a concrete injury-in-fact sufficient to establish standing and denied Schumacher’s motion to enforce a prior agreement to settle the claims of the class for \$333,600. Because the

circuit court had authority to consider the motion to enforce the settlement agreement and because the parties entered into a binding, enforceable settlement agreement, we reverse and remand with instructions to proceed with enforcement of the settlement agreement.

Factual and Procedural History¹

In August 2015, Schumacher applied for employment with SC Data. On the application questionnaire, Schumacher indicated that she had never been convicted of a felony. In reality, Schumacher had been convicted of two felonies. Relying on Schumacher's responses to the application questionnaire, SC Data extended her a job offer, which was conditioned on a background check. Schumacher did not, however, understand or consent to SC Data sharing her personal information with an outside consumer reporting source. SC Data did, in fact, share such personal information with an outside consumer reporting source and, upon doing so, discovered Schumacher's criminal history and retracted the job offer.

In February 2016, Schumacher filed a class action in Missouri state court alleging three violations of the FCRA but did not specifically allege that Schumacher suffered any harm as a result of these violations. SC Data successfully removed the lawsuit to federal court.

Once in federal court, the parties proceeded through a mediation program. On May 12, 2016, attorneys for the plaintiff class and SC Data each signed a handwritten

¹ Much of the factual and procedural history is recited from *Schumacher v. SC Data Center, Inc.*, 912 F.3d 1104, 1105 (8th Cir. 2019) [hereinafter *Schumacher I*], and *Schumacher v. SC Data Center, Inc.*, 33 F.4th 504, 507 (8th Cir. 2022) [hereinafter *Schumacher II*], without further attribution.

sheet of paper titled: “Settlement Terms.” The terms provided: (1) that SC Data would pay \$333,600 to create a class settlement fund, which would include both the compensation for the plaintiff class as well as all costs and attorney’s fees; (2) that “[t]he parties will execute a formal settlement agreement, modeled after the agreement in the *Alame* case”; and (3) that class members with “improper disclosure” claims under the FCRA would receive \$73 and that class members with “adverse action” claims under the FCRA would receive \$188. A note at the top of the term sheet indicated, “settlement is contingent upon court approval,” as would be consistent with the requirement in federal courts that “[t]he claims, issues, or defenses of a certified class—or a class proposed to be certified for purposes of settlement—may be settled, voluntarily dismissed, or compromised only with the court’s approval,” FED. R. CIV. P. 23(e).

Four days after the parties signed the “Settlement Terms” document, the United States Supreme Court decided *Spokeo, Inc. v. Robins*, 578 U.S. 330 (2016). *Spokeo* clarified that the standing requirement for jurisdiction in federal courts, found in Article III of the U.S. Constitution, is not satisfied by the mere violation of a plaintiff’s statutory rights and that, to satisfy standing, the plaintiff must also allege a concrete harm flowing from the violation: “Article III standing requires a concrete injury even in the context of a statutory violation. For that reason, Robins could not, for example, allege a bare procedural violation, divorced from any concrete harm, and satisfy the injury-in-fact requirement of Article III.” *Spokeo*, 578 U.S. at 341. Based on the Supreme Court’s reasoning in *Spokeo*, SC Data filed a motion to dismiss the class action, arguing that Schumacher’s lack of standing deprived the federal court of subject matter jurisdiction.

After multiple rounds of appeal and remand, the federal district court issued an order denying SC Data’s motion to dismiss and ultimately approved the parties’ settlement agreement.

SC Data appealed the denial of its motion to dismiss. On appeal, the Eighth Circuit determined that Schumacher had, at most, only alleged technical violations of the FCRA and that she had failed to allege any resulting concrete harm: “Schumacher, however, has not pleaded any facts demonstrating a concrete harm—a prerequisite for Article III standing.” *Schumacher v. SC Data Center, Inc.*, 33 F.4th 504, 514 (8th Cir. 2022) [hereinafter *Schumacher II*]. Applying *Spokeo*, the Eighth Circuit determined that Schumacher lacked standing to sue and, thus, that the federal district court lacked subject matter jurisdiction to decide any issue in the case. *Id.* So, the Eighth Circuit vacated all of the district court’s orders—including its approval of the settlement agreement—and remanded the case with instructions for it to be transferred back to Missouri state court for further proceedings. *Id.*

Once back in Missouri state court, Schumacher filed an amended class action petition, which alleged the same three FCRA violations and included an additional breach of contract claim that alleged SC Data’s background check exceeded the scope of the authorization agreement. Schumacher also filed a separate motion to enforce the parties’ settlement agreement.

SC Data filed a motion to dismiss Schumacher’s petition for lack of standing, arguing that Schumacher had again failed to allege a concrete harm flowing from the alleged violations of the FCRA. SC Data further argued that, because Schumacher

lacked standing to bring her claims under the FCRA, she also lacked standing to file a motion to enforce the agreement to settle those claims and that, absent standing, the settlement agreement was not binding.

The circuit court addressed the parties' arguments in two separate rulings. In the first ruling, the circuit court determined that Schumacher's petition failed to allege a concrete harm sufficient to satisfy standing and accordingly dismissed the petition; however, it expressly noted that the dismissal did not affect Schumacher's collateral motion to enforce the settlement agreement, so it retained jurisdiction to decide the motion.² In its second ruling, the circuit court denied Schumacher's motion to enforce the settlement agreement without providing any further reasoning.

Schumacher timely appealed the circuit court's judgment dismissing the underlying petition and denying the motion to enforce the settlement. Our analysis of the circuit court's error in denying the motion to enforce the settlement is dispositive of the appeal.

² Specifically, the circuit court stated, in pertinent part:

Unlike federal court, the circumstances wherein a state circuit court lacks subject matter jurisdiction are extremely rare. *See J.C.W. v. Wyciskalla*, 275 S.W.3d 249 (Mo. banc 2009). . . .

The Court has jurisdiction over the parties and the subject matter of this action. . . .

The Court finds that Plaintiff has failed to plead facts, which if true, show her injury in fact and therefore lacks standing. She may not proceed on her claims for damages. However, this does not resolve the pending Motion to Enforce the Settlement and the Court retains jurisdiction to resolve that issue.

Jurisdiction Over the Motion to Enforce Settlement

As an initial matter, SC Data argues that, because all of the claims in Schumacher's petition were dismissed for lack of standing, the circuit court had no authority to decide any substantive issue in the case, including whether to enforce the agreement to settle the claims. Essentially, SC Data asserts that standing to enforce a settlement agreement is entirely derivative of standing to bring those claims and that, if those claims are dismissed, then the motion to enforce the agreement settling those claims must also be dismissed. We disagree. When Schumacher filed the motion to enforce the settlement agreement, she created a new collateral action *separate* from her petition:

Missouri does not have a specific "process for enforcing an agreement settling a pending case." Settlement may be raised as an affirmative defense or, as here, via a motion to enforce the settlement agreement. A motion to enforce a settlement adds to the underlying case a collateral action seeking specific performance of the agreement. The moving party . . . must prove the existence of the agreement "by clear, convincing and satisfactory evidence."

Eaton v. Mallinckrodt, Inc., 224 S.W.3d 596, 599 (Mo. banc 2007) (citations omitted).

Even if the circuit court correctly dismissed the claims in Schumacher's petition because she lacked standing to bring her FCRA claims, it still had the authority to consider her motion to enforce the settlement agreement because the dismissal only affected Schumacher's petition and left her motion to enforce the settlement intact.

SC Data further argues that, because Schumacher's lack of standing deprived the *federal* court of the subject matter jurisdiction necessary to approve the settlement of the class action, our analysis of standing in Missouri *state* court should reach the same conclusion. When evaluating claims that could be brought both in federal court and in

Missouri state court, Missouri courts will apply the same legal standards as the Eighth Circuit “*if at all possible.*” See *Corozzo v. Wal-Mart Stores, Inc.*, 531 S.W.3d 566, 575 (Mo. App. W.D. 2017) (emphasis added) (quoting *Host v. BNSF Ry. Co.*, 460 S.W.3d 87, 102 (Mo. App. W.D. 2015)). For that reason, Missouri courts have adopted the same injury-in-fact requirement for standing that the U.S. Supreme Court announced in *Spokeo*:

Pursuant to the precedent of *Spokeo* and the reasoned analysis by the Eighth Circuit Court of Appeals in *Braitberg* [*v. Charter Communications, Inc.*, 836 F.3d 925 (8th Cir. 2016)], we conclude that Corozzo and Ruff have not pleaded an actual injury as contemplated by Missouri’s pleading requirements related to the concepts of justiciability and standing. . . . Like the plaintiff in *Spokeo*, Corozzo and Ruff simply cannot satisfy Missouri’s standing requirements by alleging “a bare procedural violation, divorced from any concrete harm.”

Id. at 575-76 (citations omitted). Although Missouri courts and federal courts apply the same legal standard in evaluating standing, the differences in subject matter jurisdiction between state and federal courts compel diverging outcomes on the *authority* to judicially approve the settlement agreement at issue here.

In federal court, the requirement of standing is *jurisdictional*. *Schumacher v. SC Data Center, Inc.*, 912 F.3d 1104, 1105 (8th Cir. 2019) [hereinafter *Schumacher I*] (“Article III standing must be decided first by the court and presents a question of justiciability; if it is lacking, a federal court has no subject-matter jurisdiction over the claim.” (quoting *Miller v. Redwood Toxicology Lab., Inc.*, 688 F.3d 928, 934 (8th Cir. 2012))). Thus, if a party does not plead facts sufficient to support standing in federal court, the federal court lacks the authority to issue any order at all—including an order

approving a class action settlement—*because it lacks jurisdiction. Id.* (“This rule applies to settlements of class actions because an approved settlement takes the form of a judgment of the court, and without both Article III power and proper subject-matter jurisdiction, the court cannot act.” (citation modified) (quoting *Robertson v. Allied Sols., LLC*, 902 F.3d 690, 698 (7th Cir. 2018))).

In contrast to the limited subject matter jurisdiction of federal courts, Missouri’s constitution “sets forth the subject matter jurisdiction of Missouri’s circuit courts in plenary terms, providing that the circuit courts shall have original jurisdiction over all cases and matters, civil and criminal.” *J.C.W. ex rel. Webb v. Wyciskalla*, 275 S.W.3d 249, 253 (Mo. banc 2009) (citation modified). Thus, the requirement of standing is prudential, not jurisdictional. *Schweich v. Nixon*, 408 S.W.3d 769, 773-74 (Mo. banc 2013) (explaining that “[j]usticiability is a ‘prudential’ rather than a jurisdictional doctrine” in Missouri courts and that standing is a component of justiciability).

Therefore, even when a party’s petition fails to plead facts sufficient to establish standing in a Missouri circuit court, the circuit court is not deprived of subject matter jurisdiction.

Nonetheless, standing is a prerequisite for a party to receive relief in Missouri state court; if a party does not plead facts sufficient to support standing in the petition, the party cannot receive any relief on the claims raised in that petition:

To bring an action in a Missouri court, a party must have standing. Standing is a threshold issue and a prerequisite to a court’s authority to address substantive issues. Standing is a necessary component of a justiciable case that must be established prior to adjudication of a case’s merits. Moreover, standing is an antecedent to the right to relief. Therefore, prior to addressing the merits of Byrne & Jones’ claim and

whether it was entitled to the requested relief, this Court must first determine whether Byrne & Jones had standing.

Byrne & Jones Enters., Inc. v. Monroe City R-1 Sch. Dist., 493 S.W.3d 847, 851 (Mo. banc 2016) (citation modified).

Assuming, *arguendo*, that Schumacher's petition failed to plead facts sufficient to establish standing, the circuit court had no authority to address the merits of Schumacher's claims; but, *it retained subject matter jurisdiction over the case*.

Upon concluding Schumacher's petition failed to plead facts supporting standing, the circuit court appropriately dismissed Schumacher's petition without granting any relief and without addressing the merits of its claims. But, the circuit court did *not* dismiss the case prior to Schumacher filing her motion to enforce the settlement agreement, which created a new collateral action within the scope of the circuit court's subject matter jurisdiction. Unlike the claims in Schumacher's petition, the motion to enforce the settlement agreement alleged a concrete harm sufficient to establish standing: that SC Data had deprived the plaintiff class of the agreed-upon \$333,600 settlement fund. Because Schumacher established standing to bring a claim of specific performance through the motion to enforce the settlement agreement, the circuit court had the *authority* to reach the merits of that motion even though it had no authority to reach the merits of the claims contained in Schumacher's class action petition.

In *Schumacher II*, the Eighth Circuit held that the district court's jurisdiction to approve or enforce a class-action settlement was derivative of the court's jurisdiction to address Schumacher's underlying FCRA claims; thus, if jurisdiction was lacking with

respect to the FCRA claims, jurisdiction was also lacking over Schumacher's settlement-enforcement motion. *See Schumacher II*, 33 F.4th at 507, 514 (vacating all orders of the district court due to Schumacher's lack of standing). In *Vulgamott v. Perry* however, this Court held that a circuit court had jurisdiction to enforce a settlement agreement, and enter the terms of the settlement agreement as a judgment of the court, even assuming that the circuit court lacked subject matter jurisdiction over the underlying cause of action. *Vulgamott v. Perry*, 154 S.W.3d 382, 387-88 (Mo. App. W.D. 2004).

In *Vulgamott*, the plaintiff Vulgamott was a passenger in a vehicle being driven by a co-worker, which was involved in an accident. *Id.* at 385. Vulgamott sued his co-worker in the circuit court. *Id.* The parties announced that they had reached a settlement on the morning a jury trial was scheduled to begin. *Id.* Before the settlement could be memorialized in a formal written agreement, however, the Missouri Supreme Court issued a decision suggesting that the circuit court lacked subject matter jurisdiction over lawsuits between co-workers for torts committed in the course and scope of their employment. *Id.* at 386. The defendant's insurer (Shelter Mutual) then refused to consummate the settlement. *Id.* When Vulgamott moved to enforce the settlement agreement, the circuit court dismissed for lack of subject matter jurisdiction, and Vulgamott appealed. *Id.*

On appeal, this Court assumed that the Supreme Court's intervening decision divested the circuit court of jurisdiction *over the underlying personal-injury claim*. *Id.* at 388. Nevertheless, we held that the circuit court retained jurisdiction to enforce the parties' settlement agreement, and to incorporate that settlement in a consent judgment,

because the settlement-enforcement action was an independent claim over which the circuit court had jurisdiction. *Id.* We explained:

Settlement agreements are a species of contract. “A motion to compel settlement adds to a pending action a collateral action for specific performance of the settlement agreement.” . . .

Shelter’s argument fails even if we consider the trial court to have lacked subject matter jurisdiction from the initial filing of Vulgamott’s suit. In *Groh v. Groh*, 910 S.W.2d 747 (Mo. App. [W.D.] 1995), this court vacated a decree of dissolution of marriage because the trial court lacked subject matter jurisdiction over the action yet still found enforceable the partial settlement agreement entered into before the decree. We said “that the fact that the trial court lacked subject matter jurisdiction does not render the partial settlement agreement invalid.” In part this was likely because both parties had a legal interest in the property separate from the dissolution action. Similarly here, the parties had a legal interest in the claimed settlement contract separate from the original action.

Finally, Shelter argues that this case is different because the settlement agreement calls for the court to enter a judgment pursuant to confession and that the trial court cannot enter a confession of judgment on a claim it has no jurisdiction over. Shelter cites no authority for this proposition and we could consider it abandoned. Regardless, we reject the conclusion because it fails to recognize the distinction between the original claim before the court and the separate contractual obligation, if any, created by the parties[’] agreement.

Id. at 387-88 (citations and footnotes omitted).

The same reasoning applies here. Schumacher had an independent legal interest in the enforcement of the settlement agreement, separate from her interest in prosecuting the underlying FCRA claims. Unlike in federal court, the circuit court retained jurisdiction to approve and enforce the parties’ settlement agreement, even assuming that Schumacher lacked standing to prosecute her FCRA claims.

Having determined that the circuit court possessed both jurisdiction and authority to reach the merits of Schumacher’s collateral motion to enforce the settlement agreement, we must next decide whether the circuit court erred in denying the motion.

Standard of Review

This court’s review of a court-tried case^[3] is governed by the standard enumerated in *Murphy v. Carron*, 536 S.W.2d 30 (Mo. banc 1976) Under the *Murphy v. Carron* standard, the appellate court will affirm the judgment of the trial court unless there is no evidence to support it, it is against the weight of the evidence, or it erroneously declares or applies the law. A party requesting specific performance of a settlement agreement has the burden of proving, by clear, convincing and satisfactory evidence, his claim for relief.

Vulgamott, 154 S.W.3d at 388 (citation omitted).

The Settlement Agreement’s Validity

“A compromise settlement is a contract. In order for the compromise settlement to be legally valid, it must possess the essential elements of any other contract.” *Precision Invs., L.L.C. v. Cornerstone Propane, L.P.*, 220 S.W.3d 301, 303 (Mo. banc 2007); *see also Jameson v. Still*, 643 S.W.3d 306, 309 (Mo. banc 2022) (“The question of whether the parties entered into an enforceable settlement agreement is governed by contract law.” (quoting *Ste. Genevieve Cnty. Levee Dist. #2 v. Luhr Bros., Inc.*, 288 S.W.3d 779, 783 (Mo. App. E.D. 2009))).

SC Data does not contest the authenticity of the “Settlement Terms” document or argue that the document does not represent an agreement between the parties. Rather, SC

³ The parties confirmed at oral argument that they stipulated to the evidence of the “Settlement Terms” document that both parties signed and only made legal arguments to the circuit court relating to those undisputed terms.

Data presents three arguments that the parties' mutual agreement to the "Settlement Terms" document does not constitute an enforceable contract.

First, SC Data argues that the settlement contract is not enforceable due to lack of consideration. It specifically argues that the claims Schumacher compromised as consideration for the settlement agreement have been adjudicated to be meritless due to lack of standing and, thus, the compromise of the claims provided nothing of value to SC Data.

For a settlement agreement to be enforceable, each party must provide valuable consideration to support it. *Jameson*, 643 S.W.3d at 309 ("To show a legal, valid settlement agreement, one must prove the essential elements of a contract: offer, acceptance and consideration." (quoting *Luhr Bros.*, 288 S.W.3d at 783)); see *Bridgecrest Acceptance Corp. v. Donaldson*, 648 S.W.3d 745, 752 (Mo. banc 2022) ("Consideration consists either of a promise (to do or refrain from doing something) or the transfer or giving up of something of value to the other party." (quoting *Soars v. Easter Seals Midwest*, 563 S.W.3d 111, 118 (Mo. banc 2018) (Draper, J., dissenting) (citation modified))).

A party's agreement to compromise an honestly disputed claim is sufficient valuable consideration to support a contract, even if it is later determined that the claim lacked merit. See *Vulgamott*, 154 S.W.3d at 390 ("Compromise of even a doubtful claim is sufficient consideration for a settlement agreement."); *Holt v. Jamieson*, 847 S.W.2d 194, 197 (Mo. App. E.D. 1993) ("Consideration based on the forbearance of a valuable right exists *although the right later is determined to be invalid*, provided that plaintiff had

a reasonable, honest belief in its validity.” (emphasis added)); *Charles F. Curry & Co. v. Hedrick*, 378 S.W.2d 522, 533 (Mo. 1964) (collecting cases to demonstrate that “[i]t is well settled that the compromise of a disputed claim is a valuable and sufficient consideration to support a promise.”).

SC Data does not assert that the plaintiff class did not honestly believe the validity of their claims; in fact, SC Data admits in its pleadings that it entered into the settlement agreement as “insurance” because it recognized the potential validity of Schumacher’s claims before *Spokeo* was decided:

SC Data entered into the conditional agreement with Schumacher knowing that the Supreme Court would likely issue a decision on *Spokeo* soon after the tentative agreement was reached In other words, SC Data bought insurance for a potential deviation from the Supreme Court’s previous holdings on standing, which would have resolved the claims between the parties.

SC Data could have chosen not to settle and could have risked the possibility that *Spokeo* would clarify that Schumacher’s claims satisfied standing—increasing the strength of the class’s claims, extending the litigation, and opening the possibility of a verdict at trial larger than the settlement amount—or it could have chosen to settle the claims—putting an end to the litigation and guaranteeing its amount of liability. SC Data chose to settle claims that ultimately proved to lack standing, but that was simply part of the risk of SC Data’s bargain:

Like a decision to forgo an appeal, the decision to settle a case is a considered one. The choice to settle implicitly acknowledges calculated risks and, in the end, reflects the deliberate decision of both parties to opt for certainty in terminating their litigation. We will not relieve a party of that decision because hindsight reveals that its decision was, given after changes in the law, probably wrong. The District Court erred by permitting

Verizon to escape the consequences of its informed, counseled and voluntary decision to settle. Later changes in the law gave it no foundation to do so.

It is essential that the parties to class action settlements have complete assurance that a settlement agreement is binding once it is reached. *The fact that a settlement agreement is governed by Rule 23 does not diminish its enforceability as a contract.* Where, as here, the parties have executed an agreement, a party cannot avoid its independent contractual obligations simply because a change in the law confers upon it a benefit that could have altered the settlement calculus.

Ehrheart v. Verizon Wireless, 609 F.3d 590, 595-96 (3d Cir. 2010) (citations omitted)

(emphasis added).⁴ Although Schumacher's claims were later determined to be

⁴ We recognize that the Eighth Circuit distinguished *Ehrheart v. Verizon Wireless*, 609 F.3d 590 (3d Cir. 2010), when previously discussing this very settlement agreement:

Schumacher argues that the district court did not need to reassess standing after *Spokeo* because SC Data Center cannot escape the settlement agreement based on a change in the law. Specifically, she relies on *Ehrheart v. Verizon Wireless*, 609 F.3d 590, 596 (3d Cir. 2010), to argue that a party cannot escape a settlement simply because a change in the law confers upon it a benefit that could have altered the settlement calculus.

Her argument is not persuasive here because *Spokeo*, even if it was a catalyst for SC Data Center's motion to dismiss, was not a change in the substantive law bearing on Schumacher's claim that would have "altered the settlement calculus." Other circuits have similarly distinguished the *Ehrheart* line of cases when addressing *Spokeo* because *Spokeo* did not change the law of standing and thus was not a post-agreement change in the law.

Schumacher I, 912 F.3d at 1105-06 (citation modified). However, in distinguishing *Ehrheart*, the Eighth Circuit *did not* state that *Spokeo* rendered the settlement agreement unenforceable; rather, the Eighth Circuit held that *Ehrheart* did not permit the *federal district court* to enforce the contract without first deciding whether Schumacher had standing to pursue her claims:

Thus, *Ehrheart* provides no basis to avoid addressing standing before enforcing a settlement agreement.

unactionable, the claims were honestly contested when the parties entered into the settlement agreement, so Schumacher's agreement to compromise her claims and that of the class constituted sufficient consideration to support the settlement agreement.

Second, SC Data argues the parties did not enter into an enforceable contract in signing the "Settlement Terms" document because it purportedly left several terms of the eventual settlement to be determined at a later time and was merely a preliminary negotiation that was not intended as a final agreement. In order for Missouri courts to enforce a contract, its essential terms must be sufficiently certain and definite:

No contract is formed where the terms of the agreement are unduly uncertain or indefinite. Uncertainty and indefiniteness are matters of degree. In determining whether a term is too uncertain to be enforced, a court is guided by general principles of law applied with common sense and in the light of experience. While a contract is not formed if the terms of an asserted agreement are too uncertain, *when the parties have written down an agreement in terms to which they both have acceded, the courts are reluctant to hold the agreement ineffectual for indefiniteness.*

Fedynich v. Massood, 342 S.W.3d 887, 891 (Mo. App. W.D. 2011) (citation modified)

(emphasis added). "A contract will be valid and enforceable even if some terms may be

Because there is no finding in the record regarding *whether Schumacher had standing to pursue her claims*, we vacate the district court's approval of the settlement agreement and remand the case *for a decision on whether Schumacher has standing*.

Id. at 1106 (emphasis added). As we have explained in our jurisdictional discussion, however, a Missouri state court has the authority to grant a collateral motion to enforce a settlement agreement, even if the plaintiff's petition does not allege facts sufficient to support standing. Thus, *Schumacher's* reasoning for distinguishing *Ehrheart* is inapplicable here.

missing or left to be agreed upon as long as the essential terms are sufficiently definite to enable the court to give them exact meaning.” *Vulgamott*, 154 S.W.3d at 390.

Here, the “Settlement Terms” document represented a sufficiently definite and immediate assent to the essential terms of the parties’ agreement to create an enforceable contract. As explained in *Vulgamott*, a settlement agreement may be sufficiently definite to be enforced even if parties have only agreed to the settlement amount and nothing else:

In *Fair Mercantile*, the parties stipulated to an agreement in open court where a fixed settlement amount was agreed to and basically nothing else. . . . The [Missouri Supreme] Court held that the settlement contract was complete and enforceable because the essential terms were definite even though some terms were left to be performed or agreed to.

Vulgamott, 154 S.W.3d at 391 (citations omitted) (citing *Fair Mercantile Co. v. Union-May-Stern Co.*, 221 S.W.2d 751, 755 (Mo. 1949)). Here, the parties agreed to a definite settlement amount of \$333,600 and agreed on how the amount would be distributed amongst the class. With these terms alone, the settlement agreement became sufficiently definite to be enforced.

Nonetheless, SC Data points to the second term of the agreement, “[t]he parties will execute a formal settlement agreement, modeled after the agreement in the *Alame* case,” and asserts that this sentence indicates the parties had additional work to “iron out and detail” the essential terms of the contract. A similar argument was considered and rejected by this Court in *Vulgamott*.

In *Vulgamott*, the plaintiff was injured in a car accident and reached a settlement agreement with the driver’s insurance company, Shelter Insurance Company, which was announced in open court. *Id.* at 385. “The agreement provided that . . . Shelter[] would

pay \$25,000 plus the statutory court costs to Vulgamott, that Perry would confess a judgment for one million dollars, and *that the format of the written settlement agreement would follow the format utilized in another case called [State ex rel. Tracy v. Dandurand, 30 S.W.3d 831 (Mo. banc 2000)]*.” *Id.* (emphasis added). Vulgamott and Shelter failed to resolve their disputes on the precise wording of the written settlement agreement, and Shelter ultimately repudiated the oral agreement, *id.* at 386, arguing in part that the originally announced agreement was too indefinite to enforce, *id.* at 391, and was contingent on the parties successfully agreeing to a final written version, *id.* at 389. This Court ultimately enforced the oral settlement agreement, rejecting both arguments. *Id.* at 392-93. We determined the oral settlement to be sufficiently definite to enforce because, although the parties could not agree on the wording of a written version, the parties did not dispute *the only material terms of the agreement*—the amount of money to be paid in the settlement:

None of the disputes between the attorneys about the language of the agreement appear to revolve around any essential term of the settlement or some essential element that was not covered in court on May 21, 2001. The amounts in issue remained undisputed, as does the format of the agreement. The written memorialization was the stumbling block the attorney[]s could not overcome.

Id. at 392. And, we determined that the parties’ failure to later memorialize the essential terms of the settlement in a different, more detailed format did not undo the parties’ original, less detailed agreement: “merely because parties stipulate they will reduce oral agreement to writing does not indicate intention that parties will require writing as

condition precedent to being bound by the agreement.” *Id.* at 390 (citing *Collins v. Swope*, 605 S.W.2d 538, 540 (Mo. App. S.D. 1980)).

The facts here are analogous to *Vulgamott*. As SC Data represented in its response to Schumacher’s motion before the circuit court and as SC Data now represents in its brief on appeal, the object of settlement was to provide “insurance” against the U.S. Supreme Court’s impending decision in *Spokeo*: rather than wait for *Spokeo* to clarify the law, both parties sought to compromise the claims for a guaranteed amount. Thus, it was imperative that the parties reach an agreeable settlement amount to fully resolve the litigation *before Spokeo* was decided. When the parties agreed to settle all claims, costs, and attorney fees in the litigation for the definite amount of \$333,600, the parties reached a definite, immediate agreement on the principal object of their negotiation—just four days before the U.S. Supreme Court decided *Spokeo*; thus, the parties left no essential terms to be negotiated in the future. Although the parties also agreed to prepare a more formalized agreement than the handwritten “Settlement Terms” document, just as in *Vulgamott*, we conclude any remaining terms that the parties would have reached in the process were not fundamental to the parties’ bargain. Further illustrating this point, SC Data has not provided even a single example of what additional “essential” terms the parties had yet to “iron out.”

Third and finally, SC Data argues the parties did not form an enforceable contract because the “Settlement Terms” document noted that it was contingent upon court approval. Federal Rule of Civil Procedure 23(e) prevents federal courts from dismissing any class action without judicial approval; thus, any agreement to settle a class action in

federal court is necessarily conditioned on judicial approval. However, federal courts have held that “[t]he requirement that a district court review and approve a class action settlement before it binds all class members does not affect the binding nature of the parties’ underlying agreement.” *Ehrheart*, 609 F.3d at 593 (citing *In re Syncor ERISA Litig.*, 516 F.3d 1095, 1100 (9th Cir. 2008)). Federal cases hold that the requirement of judicial approval is not a condition precedent to the creation of a binding settlement agreement; rather, judicial *disapproval* is a condition *subsequent* that can undo an otherwise valid binding settlement:

There are two steps in reaching a settlement in a class action: (1) the parties by themselves reach an agreement of settlement, and (2) the court evaluates the proposed settlement. The reason for judicial approval is not to give the negotiating parties more time or even to ensure that the settlement is fair as between the negotiating parties, but rather to ensure that other unrepresented parties and the public interest are treated fairly by the settlement. *Judicial approval of a consent decree is clearly a condition subsequent, and should not affect the legality of the formation of the proposed consent decree as between the negotiating parties.*

Further, we reiterate that basic contractual principles, in particular the law concerning offer and acceptance, apply in evaluating the formation of consent decrees. If we accepted the state’s argument, the parties’ agreement would be meaningless, since either party to a consent decree could back out at any time prior to court approval and the legal ramifications of the earlier offer and acceptance would be empty. We decline to accept such an inequitable construction.

....

In summary, the parties to consent decrees are bound by general contract principles with regards to their proposed settlement. The requirement of judicial approval is not to protect the negotiating parties, but to protect unrepresented parties, and thus the negotiating parties are bound by any contract they make, subject of course to the condition subsequent of judicial disapproval.

Collins v. Thompson, 679 F.2d 168, 172-73 (9th Cir. 1982) (citations omitted); *accord Ehrheart*, 609 F.3d at 594 (“Post-settlement, Verizon made the argument, which was endorsed by the District Court, that a settlement agreement is not a binding contract until final judicial approval. This is incorrect. There are two steps in reaching a settlement in a class action. First, the parties reach an agreed-to settlement. Second, the District Court evaluates the agreement as a fiduciary for absent class members. . . . If Verizon’s argument was accepted, and the District Court’s action in vacating its preliminary approval affirmed, the settlement process would become meaningless since either party to a class action settlement (or any other type of settlement that requires court approval) could back out of an agreement at any time before court approval and avoid any legal repercussions for breaching the earlier offer and acceptance. Here, the Clarification Act was pending before Congress when the parties negotiated their agreement. In negotiating this agreement, Verizon bet on the certainty of settlement instead of gambling on the uncertainties of future legislative action.” (citations omitted)); *Whitlock v. FSL Mgmt., LLC*, 843 F.3d 1084, 1094-95 (6th Cir. 2016).

The requirement of court approval of the class-action settlement agreed to by the parties in this case was a condition subsequent, which did not prevent the settlement from becoming a binding, enforceable contract.

Having rejected each of the theories presented to the circuit court for denying the motion to enforce the settlement agreement, we find no basis in the record to support the circuit court’s refusal to enforce the settlement agreement and conclude that the circuit court erred in denying Schumacher’s motion to enforce it.

We recognize that, like federal courts, Missouri courts require judicial approval for the settlement of any class action: “A class action shall not be dismissed or compromised without the approval of the court, and notice of the proposed dismissal or compromise shall be given to all members of the class in such manner as the court directs.” Rule 52.08(e);⁵ *see State ex rel. Byrd v. Chadwick*, 956 S.W.2d 369, 378 (Mo. App. W.D. 1997) (“Missouri’s Rule 52.08 is identical to Federal Rule 23 . . .”). Before the binding agreement to compromise Schumacher’s class action can be enforced by a Missouri court, it must be judicially approved.

That said, the role in reviewing a motion to enforce settlement of a class action is to review the settlement “for fairness with respect to absent class members, as well as approving any agreements for the award of attorneys’ fees to class counsel.” *Dale v. DaimlerChrysler Corp.*, 204 S.W.3d 151, 174 (Mo. App. W.D. 2006). Courts must not decline to approve the settlement agreement solely on the basis that *the defendant* chose to compromise a claim that ultimately proved to be without merit:

The reason for judicial approval is to ensure that other unrepresented parties (absent class members) and the public interest are fairly treated by the settlement reached between the class representatives and the defendants. . . . *We make clear that this fiduciary protection does not extend to defendants in a class action, who are in a position to protect their own interests during negotiations.*

Ehrheart, 609 F.3d at 594 (emphasis added) (citations omitted).

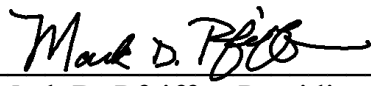
⁵ All rule references are to I MISSOURI COURT RULES – STATE 2025, unless otherwise specified.

We question whether there would be a reasonable basis for the circuit court to conclude that absent class members are not being fairly treated by a settlement agreement which will provide compensation to those class members on a claim that—after *Spokeo*—may no longer even be actionable. Nevertheless, the case must be remanded to the circuit court for it to conduct the settlement-approval hearing required by Rule 52.08, after providing appropriate notice to class members. During that hearing, the circuit court will also be required to determine the appropriate amount of any attorney’s fees, and any other fees or costs, to be paid out of the settlement fund.

Schumacher’s point on appeal relating to the motion to enforce settlement agreement is granted, and this matter is remanded to the circuit court for further proceedings consistent with today’s ruling.⁶

Conclusion

The judgment relating to the motion to enforce settlement is reversed and remanded for further proceedings consistent with today’s ruling.



Mark D. Pfeiffer, Presiding Judge

Alok Ahuja, Judge, and Thomas N. Chapman, Judge, concur.

⁶ Given our ruling that the settlement agreement must be enforced, it necessarily follows that the plaintiff class must, in exchange for the class settlement funding consideration deposited by SC Data, dismiss the underlying class action petition. Thus, Schumacher’s claims on appeal relating to claims of error relating to the circuit court’s dismissal of the class action petition are moot.