

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF
FLORIDA

Streiff Jewelry Co. v. United Parcel Service

691 F. Supp. 1403 (S.D. Fla. 1988) · Decided August 16, 1988

SUMMARY

The court denied the plaintiff’s renewed motion for relief from a dismissal order under Federal Rule of Civil Procedure 60(b) and denied its related motion concerning possible disposition. It held that a settlement provision requiring concealment of the fact that the court’s prior opinion was vacated for settlement purposes violated public policy, while the remainder of the settlement remained enforceable. The court ordered that a certified copy of the order and attachments be transmitted to the Eleventh Circuit for inclusion in the appellate record.

CASE DETAILS

COURT	United States District Court for the Southern District of Florida
WRITING FOR THE COURT	Spellman, District Judge
JURISDICTION	Florida
DECIDED	August 16, 1988
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff sought relief under Federal Rule of Civil Procedure 60(b) from the court's prior order dismissing the action with prejudice based on the parties' settlement, and also sought an order indicating the possible disposition of the renewed motion. The court denied both motions.
STANDARD OF REVIEW	The court reviewed the pleadings and record to determine whether relief from the final dismissal was warranted under Federal Rule of Civil Procedure 60(b).
PRECEDENTIAL VALUE	Published federal district court memorandum opinion; persuasive authority within the district and circuit, subject to the precedential rules applicable to federal district court decisions.

TOPICS

- motion for reconsideration
- civil procedure
- contract interpretation
- waiver
- remedies

PRACTICE AREAS

civil procedure

contracts

commercial litigation

remedies

QUESTIONS PRESENTED

1. Whether the plaintiff was entitled to relief under Federal Rule of Civil Procedure 60(b) from the order dismissing the action with prejudice based on the parties' settlement.
2. Whether a settlement provision requiring the court to conceal that the prior opinion was vacated because of settlement was contrary to public policy and therefore unenforceable.
3. Whether invalidity of the nondisclosure provision rendered the remainder of the settlement unenforceable.

HOLDINGS

1. A settlement provision that required the court to create the misleading appearance that it had vacated its prior opinion on the merits, rather than because of the parties' settlement, violated public policy and was unenforceable.
2. The invalid nondisclosure provision was severable, leaving the remainder of the settlement agreement enforceable.
3. Relief from the order of dismissal was not warranted because none of the grounds identified in Rule 60(b) applied.

KEY QUOTATIONS

"A settlement agreement is a contract and, as such, its construction and enforcement are governed by principles of Florida's general contract law." (691 F. Supp. at 1404)

"If this Court did not indicate that dismissal was based on settlement, it would appear to the public that the September 9, 1987 memorandum opinion was vacated after reconsideration on the merits." (691 F. Supp. at 1405)

"Any agreement contemplated by the parties to the effect that this Court would not disclose settlement under the circumstances was clearly against public policy." (691 F. Supp. at 1405)

FACTUAL BACKGROUND

The parties reached a settlement after the court had issued an opinion addressing the meaning of "cash" in their C.O.D. shipping contract. The parties repeatedly proposed orders designed to make it appear that the court had vacated its prior opinion after reconsideration on the merits, rather than because of the settlement. The court modified the proposed order to reflect that the settlement caused the prior opinion to be vacated and that the action was dismissed with prejudice. Plaintiff later argued that a condition requiring nondisclosure of the settlement had been violated and that the settlement was therefore ineffective.

PROCEDURAL HISTORY

The court previously issued a memorandum opinion denying UPS's motion for summary judgment and inviting plaintiff to seek summary judgment on its breach-of-contract claim. The parties then negotiated a settlement and submitted proposed orders that would have made it appear that the court vacated its prior opinion on the merits. The court instead entered an order on March 1, 1988, expressly stating that the action was dismissed with prejudice based on settlement and that the prior opinion was withdrawn and vacated. Plaintiff later moved for relief from that dismissal, arguing that nondisclosure of the settlement was a condition of settlement and that the court's disclosure of the settlement's basis rendered the agreement ineffective.

DISPOSITION

other

CASES CITED

- Schwartz v. Florida Bd. of Regents, 807 F.2d 901, 905 (11th Cir. 1987)
- Title & Trust Co. of Florida v. Parker, 468 So. 2d 520 (Fla. 1st DCA 1985)
- France v. Liberty Mutual Ins., 380 So. 2d 1155 (Fla. 3d DCA 1980)
- Streiff Jewelry Co. v. United Parcel Service, 670 F. Supp. 341 (S.D. Fla. 1987)