

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
MISSOURI, EASTERN DIVISION

Colley v. Neighbors Credit Union

Colley · No. 4:25-cv-00687-SRC · Decided March 30, 2026

SUMMARY

The United States District Court for the Eastern District of Missouri considers Neighbors Credit Union’s motion to dismiss and motion to compel arbitration in a putative class action arising from a data breach. The court concludes at the pleading stage that the plaintiffs adequately alleged Article III standing based on the disclosure of personal identifying information, mitigation expenses, contract-related injuries, and related harms, while rejecting diminished value of personal information as a sufficient injury. The court grants in part and denies in part without prejudice the motion to compel arbitration, with the excerpt addressing arbitration issues involving current and former credit-union customers.

CASE DETAILS

COURT	United States District Court for the Eastern District of Missouri, Eastern Division
WRITING FOR THE COURT	Stephen R. Clark
JURISDICTION	United States District Court for the Eastern District of Missouri, Eastern Division
DECIDED	March 30, 2026
DOCKET	4:25-cv-00687-SRC
DISPOSITION	other
PROCEDURAL POSTURE	Putative class action alleging injuries arising from a data breach. Neighbors moved to dismiss for lack of Article III standing and failure to state a claim, and moved to compel arbitration as to four plaintiffs.
STANDARD OF REVIEW	The Rule 12(b)(1) standing challenge was considered at the pleadings stage, accepting general factual allegations as sufficient. The Rule 12(b)(6) motion was evaluated under Rule 8 and the plausibility standard of Ashcroft v. Iqbal and Bell Atlantic Corp. v. Twombly, accepting well-pleaded factual allegations as true and drawing reasonable inferences for plaintiffs. The motion to compel arbitration was analyzed under a standard akin to summary judgment, viewing evidence in the light most favorable to the nonmoving party and

	denying arbitration where a genuine dispute of material fact existed as to formation of the arbitration agreement.
PRECEDENTIAL VALUE	unpublished district court opinion
PARTIES	William Colley, individually and on behalf of all others similarly situated, Plaintiffs Johnson, Beinart, Hollis, Short-Shumate, Beatty Jr., Putney, and Wilbur v. Neighbors Credit Union

TOPICS

standing arbitration motions to dismiss civil procedure consumer protection

PRACTICE AREAS

civil procedure arbitration consumer protection contracts torts constitutional law

QUESTIONS PRESENTED

1. Whether plaintiffs adequately pleaded Article III injury in fact, traceability, and redressability.
2. Whether Johnson and Beinart entered enforceable arbitration agreements through a mailed amendment and failure to opt out.
3. Whether Neighbors, as assignee of Colley and Wilbur's vehicle-loan contracts, could enforce the contracts' arbitration provisions.
4. Whether Colley and Wilbur's data-breach claims fell within the scope of their arbitration clauses.
5. Whether Hollis, Short-Shumate, Beatty Jr., and Putney plausibly stated claims for negligence, negligence per se, breach of implied contract, unjust enrichment, breach of confidence, and invasion of privacy under Missouri law.

HOLDINGS

1. At the pleadings stage, plaintiffs adequately pleaded Article III standing because the alleged exposure and dark-web sale of sensitive personal identifying information, mitigation expenses, loss of contractual benefit, and emotional harm accompanying financial or other intangible injuries were sufficiently concrete, fairly traceable to Neighbors' alleged cybersecurity deficiencies, and likely redressable.
2. The court denied Neighbors' motion to compel arbitration as to Johnson and Beinart without prejudice because their denials of receipt of the mailed amendment created a genuine dispute of material fact concerning whether a valid arbitration agreement was formed.
3. Neighbors, as assignee of Colley and Wilbur's secured-vehicle-loan contracts, could enforce the contracts' arbitration provisions.
4. Colley and Wilbur's data-breach claims fell within the broad arbitration clauses in their secured-vehicle-loan contracts, so the court granted the motion to compel arbitration as to both plaintiffs.

5. Under Missouri law, the remaining plaintiffs failed to state negligence and negligence-per-se claims because Neighbors owed no recognized duty of care on the alleged relationships and the Federal Trade Commission Act could not supply the basis for negligence per se because it creates no private right of action.
6. The remaining plaintiffs failed to plausibly state claims for breach of implied contract, unjust enrichment, breach of confidence, or invasion of privacy under Missouri law.

KEY QUOTATIONS

“The Court accordingly denies Neighbors’ Motion to Compel Arbitration as to Johnson and Beinart.” (IV.B)

“So, because Neighbors has valid and enforceable arbitration agreements with Colley and Wilbur, respectively, and because this dispute falls within the scope of the agreements, the Court grants Neighbors’ Motion to Compel as to these plaintiffs.” (IV.C)

“Finally, the Court grants Neighbors’ [24] Motion to Dismiss, and dismisses without prejudice Plaintiffs Hollis, Short-Shumate, Beatty Jr., and Putney.” (VI)

FACTUAL BACKGROUND

Neighbors Credit Union experienced an unauthorized access incident in September 2024 involving files containing plaintiffs' personal identifying information. Plaintiffs alleged that the Black Suit cybercriminal group posted or offered the information for sale on the dark web, and they asserted injuries including privacy invasion, mitigation expenses, lost opportunity costs, emotional harm, and loss of the benefit of their bargain. The relationships between the plaintiffs and Neighbors varied, including current and former customers, a line-of-credit relationship, and ownership interests acquired through assignments of vehicle loans.

PROCEDURAL HISTORY

Colley filed the action after Neighbors notified individuals of a data breach, and the court consolidated seven identical putative class actions with Colley's suit. Plaintiffs filed an operative complaint asserting six common-law claims. The court denied the standing challenge, granted arbitration as to Colley and Wilbur, denied arbitration as to Johnson and Beinart without prejudice because of a genuine factual dispute concerning receipt of the arbitration amendment, and dismissed without prejudice all six claims asserted by Hollis, Short-Shumate, Beatty Jr., and Putney.

DISPOSITION

other

CASES CITED

- Osborn v. United States, 918 F.2d 724, 728 n.4 (8th Cir. 1990)
- City of Benkelman v. Baseline Engineering Corp., 867 F.3d 875, 882 (8th Cir. 2017)
- Pucket v. Hot Springs School District No. 23-2, 526 F.3d 1151, 1156-57 (8th Cir. 2008)
- Lujan v. Defenders of Wildlife, 504 U.S. 555, 559-60 (1992)

- TransUnion LLC v. Ramirez, 594 U.S. 413, 422-25, 431, 440-42 (2021)
- DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 340-42 (2006)
- California v. Texas, 593 U.S. 659, 668-69 (2021)
- In re SuperValu, Inc., 870 F.3d 763, 768, 770-71 (8th Cir. 2017)
- Rydholm v. Equifax Information Services LLC, 44 F.4th 1105, 1108 (8th Cir. 2022)
- Auer v. Trans Union, LLC, 902 F.3d 873, 877 (8th Cir. 2018)
- Spokeo, Inc. v. Robins, 578 U.S. 330, 338, 341 (2016)
- Clapper v. Amnesty International USA, 568 U.S. 398, 409, 416 (2013)
- Kuhns v. Scottrade, Inc., 868 F.3d 711, 716 (8th Cir. 2017)
- Pulliam v. W. Tech. Grp., LLC, No. 8:23-cv-159, 2024 WL 356777, at *8 (D. Neb. Jan. 19, 2024)
- Mackey v. Belden, Inc., No. 4:21-cv-00149-JAR, 2021 WL 3363174, at *5-7, *9 (E.D. Mo. Aug. 3, 2021)
- Ojogwu v. Rodenburg Law Firm, 26 F.4th 457, 463 (8th Cir. 2022)
- Lexmark International, Inc. v. Static Control Components, Inc., 572 U.S. 118, 134 n.6 (2014)
- Simon v. Eastern Kentucky Welfare Rights Organization, 426 U.S. 26, 41 (1976)
- Bennett v. Spear, 520 U.S. 154, 171 (1997)
- Hoffman v. Cargill Inc., 236 F.3d 458, 461 (8th Cir. 2001)
- AT&T Mobility LLC v. Concepcion, AT&T Mobility LLC v. Concepcion, 563 U.S. 333, 339 (2011)
- Morgan v. Sundance, Inc., 596 U.S. 411, 418 (2022)
- Northport Health Services of Arkansas, LLC v. Posey, 930 F.3d 1027, 1030 (8th Cir. 2019)
- Teletronics Pacing Systems, Inc. v. Guidant Corp., 143 F.3d 428, 433 (8th Cir. 1998)
- First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 944 (1995)
- Moses H. Cone Memorial Hospital v. Mercury Construction Corp., 460 U.S. 1, 24-25 (1983)
- Torres v. Simpatico, Inc., 781 F.3d 963, 968 (8th Cir. 2015)
- Cicle v. Chase Bank USA, 583 F.3d 549, 555 (8th Cir. 2009)
- Patrick v. Altria Group Distribution Co., 570 S.W.3d 138, 143-44 (Mo. Ct. App. 2019)
- Citibank (S.D.), N.A. v. Wilson, 160 S.W.3d 810, 813 (Mo. Ct. App. 2005)
- American Family Mutual Insurance Co. v. Vein Centers for Excellence, Inc., 912 F.3d 1076, 1083 (8th Cir. 2019)
- Kohler v. Anderson, 986 F.2d 503, *1 (8th Cir. 1993)
- Stephenson v. El-Batrawi, 524 F.3d 907, 913 (8th Cir. 2008)
- Robinson v. EOR-ARK, LLC, 841 F.3d 781, 783-84 (8th Cir. 2016)
- Griffin v. McCoach, 313 U.S. 498, 503 (1941)
- Klaxon Co. v. Stentor Electric Manufacturing Co., 313 U.S. 487, 496-97 (1941)
- Day & Zimmermann, Inc. v. Challoner, 423 U.S. 3, 4 (1975)
- Ameristar Jet Charter, Inc. v. Dodson International Parts, Inc., 155 S.W.3d 50, 58 (Mo. 2005)
- Fruin-Colnon Corp. v. Missouri Highway & Transportation Commission, 736 S.W.2d 41, 44 (Mo. 1987)
- Eagle Technology v. Expander Americas, Inc., 783 F.3d 1131, 1137 (8th Cir. 2015)

- *Donaldson Co. v. Burroughs Diesel, Inc.*, 581 F.3d 726, 731 (8th Cir. 2009)
- *Vondeylen v. Aptive Environmental, LLC*, No. 24-3578, 2026 WL 621880, at *1 (8th Cir. Mar. 5, 2026)
- *Ashcroft v. Iqbal*, 556 U.S. 662, 677-79 (2009)
- *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555, 570 (2007)
- *Whitney v. Guys, Inc.*, 700 F.3d 1118, 1128 (8th Cir. 2012)
- *Lustgraaf v. Behrens*, 619 F.3d 867, 872-73 (8th Cir. 2010)
- *Huggins v. FedEx Ground Package System, Inc.*, 592 F.3d 853, 862 (8th Cir. 2010)
- *Crest Construction II, Inc. v. Doe*, 660 F.3d 346, 355 (8th Cir. 2011)
- *State ex rel. Tyler Technologies, Inc. v. Chamberlain*, 679 S.W.3d 474, 477 (Mo. 2023)
- *Tharp v. St. Luke's Surgicenter-Lee's Summit, LLC*, 587 S.W.3d 647, 654 (Mo. 2019)
- *L.A.C. ex rel. D.C. v. Ward Parkway Shopping Center Co., L.P.*, 75 S.W.3d 247, 257 (Mo. 2002)
- *Madden v. C & K Barbecue Carryout, Inc.*, 758 S.W.2d 59, 62 (Mo. 1988)
- *Earley v. Dunn*, 670 S.W.3d 47, 52-53 (Mo. Ct. App. 2023)
- *Ashley County v. Pfizer, Inc.*, 552 F.3d 659, 673 (8th Cir. 2009)
- *Crozier v. Wint*, 736 F.3d 1134, 1138-39 (8th Cir. 2013)
- *Salier v. Walmart, Inc.*, 76 F.4th 796, 801 (8th Cir. 2023)
- *Parr v. Breeden*, 489 S.W.3d 774, 780-81 (Mo. 2016)
- *Howland v. Truman Medical Center, Inc.*, 719 S.W.3d 98, 109 (Mo. Ct. App. 2025)
- *Bradley v. Ray*, 904 S.W.2d 302, 314 (Mo. App. W.D. 1995)
- *Warmington v. Board of Regents*, 998 F.3d 789, 795-96 (8th Cir. 2021)
- *SuperValu, Inc.*, 925 F.3d 955, 966 (8th Cir. 2019)
- *Negron v. Ascension Health*, No. 4:24-cv-00669, 2025 WL 2710014, at *13 (E.D. Mo. Sept. 23, 2025)
- *Balke v. Ream*, 33 S.W.3d 589, 594 (Mo. Ct. App. 2000)