

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

CHEP USA,)	
)	
Plaintiff,)	
)	
v.)	No. 4:24-cv-00025-KMB-SEB
)	
A-1 PALLET CO. OF CLARKSVILLE, INC.,)	
)	
Defendant.)	

ORDER DENYING WITHOUT PREJUDICE
JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

Pending before the Court is the Parties' Joint Motion for Approval of Settlement Agreement and Mutual Release and Entry of Consent Judgment. [Dkt. 58.] Plaintiff CHEP USA ("CHEP") brought this action against Defendant A-1 Pallet Co. of Clarksville, Inc. ("A-1 Pallet"), for conversion and breach of contract and sought declaratory judgment under 28 U.S.C. § 2201. [Dkt. 1.] Following a Settlement Conference with the Court, the Parties ultimately executed a settlement agreement that they now ask the Court to approve. [Dkt. 58.] For the reasons discussed below, the Parties' Joint Motion is **DENIED WITHOUT PREJUDICE**.

Generally, parties are free to enter into a settlement agreement and dismiss a case without judicial approval. If the parties move for a proposed consent judgment or consent decree, however, that asks the court to exercise federal power by having the court retain jurisdiction to enforce compliance. As such, a consent judgment is subject to higher standards—specifically, "litigants wishing the Court to issue a consent judgment must argue why the judgment should issue, and cannot expect the Court unreflexively to endorse their agreement with the full authority of the federal judiciary." *Batesville Casket Co. v. Ackerman*, 2024 WL 3676766, at *2 (S.D. Ind. Aug. 6,


2024) (quoting *Metropolitan Life Ins. Co. v. Hanni*, 2017 WL 6805318, at *2 (N.D. Ind. Sept. 14, 2017)).

A consent judgment must "(1) spring from and serve to resolve a dispute within the court's subject matter jurisdiction, (2) come within the general scope of the case made by the pleadings; and (3) further the objectives of the law upon which the complaint was based." *Local No. 93, Int'l Ass'n of Firefighters v. City of Cleveland*, 478 U.S. 501, 525 (1986). If these factors are met, then "a district court must determine whether a proposed decree is lawful, fair, reasonable, and adequate." *E.E.O.C. v. Hiram Walker & Sons, Inc.*, 768 F.2d 884, 889 (7th Cir. 1985); see *Local No. 93*, 478 U.S. at 525 (explaining that "a federal court is more than a recorder of contracts from whom parties can purchase injunctions.") (citation omitted).

The Parties' Joint Motion fails to address any of the relevant factors and, thus, is **DENIED WITHOUT PREJUDICE**. [Dkt. 58]; see *Batesville*, 2024 WL 3676766 (denying a joint motion that did not brief the factors). No later than **November 12, 2024**, the Parties are **ORDERED** to file a joint brief in support of the proposed consent judgment explaining how it meets the factors discussed herein. A reasonable extension of time from this deadline may be sought if necessary. The Court encourages counsel to review *State of Indiana v. Jackson Cnty. Schneck Mem'l Hosp.*, 4:23-155-KMB-SEB, where the undersigned ultimately approved a joint consent judgment by the parties in that case.

SO ORDERED.

Date: 10/22/2024


Kellie M. Barr
United States Magistrate Judge
Southern District of Indiana

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