

SUMMARY STATEMENT

Carter Dental v. Carter, Docket Nos. 50408 & 50455

This consolidated appeal concerns the enforceability of a settlement agreement and a noncompete clause. Elizabeth and Jason Carter are siblings and licensed dentists who worked together as partners at Carter Dental. In 2020, Jason accused Elizabeth of misusing the practice's funds for her own benefit. Litigation ensued, during which the parties agreed to mediation. The mediation resulted in an agreement containing 14 bullet points providing that Elizabeth would sell her shares in the dental practice to Jason and not compete against the practice for two years. Those bullet points were later incorporated into a formal settlement agreement. Jason's counsel then drafted a written mutual release, which Elizabeth refused to sign.

Soon after, Jason and Carter Dental moved to enforce the settlement agreement, which the district court granted. Over Elizabeth's opposition, the district court found that the settlement agreement and noncompete clause were enforceable, and that the noncompete clause limits Elizabeth from practicing dentistry within a five-mile radius of Jason's dental practice for two years. Pursuant to the agreement, the district court entered a judgment dismissing the case with prejudice. Elizabeth timely appealed from the judgment, arguing that the noncompete clause is unenforceable, and more broadly, that the settlement agreement is unenforceable. The Idaho Supreme Court affirmed the district court's judgment, holding that Elizabeth was estopped from asserting the settlement agreement was unenforceable based on her concession that she agreed to the bullet point terms and accepted the district court's dismissal with prejudice.

Elizabeth also appealed from the district court's award of attorney fees to Jason and Carter Dental. The Idaho Supreme Court affirmed the award of fees after concluding that: (1) because the district court's judgment was affirmed on appeal, Jason and Carter Dental remained the prevailing parties below; (2) the district court correctly determined Jason and Carter Dental could pursue fees related to litigation that arose from efforts to enforce the agreement; and (3) the district court properly considered the factors set out in Idaho Rule of Civil Procedure 54(e)(3).

******This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.******