

# ASSEMBLY, No. 1638

## STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

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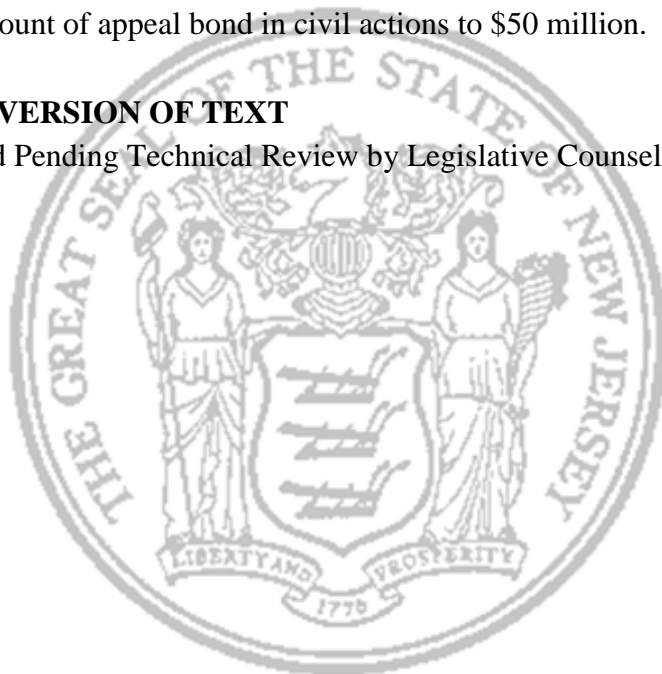
**Assemblywoman Handlin and Assemblyman Space**

**SYNOPSIS**

Limits amount of appeal bond in civil actions to \$50 million.

**CURRENT VERSION OF TEXT**

Introduced Pending Technical Review by Legislative Counsel.



**(Sponsorship Updated As Of: 6/28/2016)**

1 AN ACT concerning the posting of appeal bonds in civil actions and  
2 supplementing Title 2A of the New Jersey Statutes.

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4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

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7 1. a. Any supersedeas bond posted pursuant to court order  
8 during the pendency of an appeal of a civil action in connection  
9 with a stay of a judgment granting legal, equitable, or other relief  
10 shall be set in accordance with the applicable laws or Rules of  
11 Court, except that the total appeal bond or other forms of security  
12 required of all appellants collectively shall not exceed \$50,000,000,  
13 together with trial costs.

14 b. Nothing in this act or in any other provision of law shall be  
15 construed to eliminate the discretion of the court, after notice and  
16 hearing and for good cause shown, to reduce the bond to a lower  
17 amount.

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19 2. Notwithstanding the provisions of section 1 of P.L. ,  
20 c. (C. ) (pending before the Legislature as this act), if an  
21 appellee proves by a preponderance of the evidence that an  
22 appellant is concealing its assets, or is dissipating or diverting  
23 assets outside the ordinary course of business to avoid payment of a  
24 judgment, a court may enter orders that:

25 a. are necessary to protect the appellee; and

26 b. require the appellant to post a supersedeas bond in an  
27 amount up to the total amount of the judgment.

28 As used in this section, “dissipating or diverting assets” does not  
29 include expenditures, including incentive or other payments to the  
30 owners of a business, of a kind that the appellant made in the  
31 regular course of business prior to entry of the judgment being  
32 appealed.

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34 3. As used in this act:

35 a. “Civil action” means all cases involving individual,  
36 aggregated, class action, or otherwise joined claims; and

37 b. “Legal, equitable, or other relief” means all forms of relief,  
38 including compensatory, special, punitive, exemplary or other  
39 damages; injunctive relief; or any other form of relief.

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41 4. This act shall take effect immediately and shall apply to all  
42 judgments entered on or after the effective date, regardless of the  
43 date the action was filed.

STATEMENT

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The bill limits the amount of the appeal bond in civil actions to the total value of the monetary judgment or \$50 million, whichever is less.

Under current law and the Rules of Court, a defendant who appeals a judgment ordering the payment of a monetary amount to the plaintiff may appeal that judgment and receive a temporary stay of the obligation to pay the monies, conditioned on posting an appeal bond. The appeal bond, also known as a supersedeas bond, is conditioned for the satisfaction of the judgment in full, together with interest and trial costs. This bill limits the total amount of the appeal bond or other forms of security required of all appellants collectively in a civil action to \$50,000,000, in addition to trial costs. The bill also provides that it shall not be construed to eliminate the discretion of the court, after notice and hearing and for good cause shown, to reduce the appeal bond to a lower amount.

The bill provides that if an appellee proves by a preponderance of the evidence that an appellant is concealing its assets, or is dissipating or diverting assets outside the ordinary course of business to avoid payment of a judgment, a court may enter orders that:

- (1) are necessary to protect the appellee; and
- (2) require the appellant to post a supersedeas bond in an amount up to the total amount of the judgment.

The bill provides that the phrase “dissipating or diverting assets” does not include expenditures, including incentive or other payments to the owners of a business, of a kind that the appellant made in the regular course of business prior to entry of the judgment being appealed.

The bill defines a “civil action” as all cases involving individual, aggregated, class action, or otherwise joined claims, and defines “legal, equitable, or other relief” as all forms of relief, including compensatory, special, punitive, exemplary or other damages; injunctive relief; or any other form of relief.

The bill is effective immediately and applies to all judgments entered on or after its effective date, regardless of the date the action was filed.