

ASSEMBLY, No. 2818

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED FEBRUARY 20, 2020

Sponsored by:

Assemblyman GARY S. SCHAER

District 36 (Bergen and Passaic)

Assemblyman JOHN F. MCKEON

District 27 (Essex and Morris)

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 1/7/2021)

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

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

18 (1) are necessary to protect the appellee; and

19 (2) require the appellant to post a supersedeas bond in an
20 amount up to the total amount of the judgment.

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

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

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