

The Surprising Power of the Connecticut PJR

A photograph of a modern building with a curved glass facade, showing multiple floors and windows, set against a light blue sky.

2 MIN READ

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A recent decision reported by Law360 is a useful reminder of the power of a remedy peculiar to Connecticut courts, the prejudgment remedy (PJR). Connecticut Superior Court Judge Bellis granted a \$5M PJR on Saturday, March 2, in favor of the Connecticut Attorney General's Office against shuttered nursing school Stone Academy and owner Joseph Bierbaum on Connecticut Unfair Trade Practices Act (CUTPA) claims. This \$5M PJR is the second awarded by Judge Bellis against Stone and Bierbaum; the first came on December 4, 2023, in a separate class action brought by former Stone students on CUTPA and breach of contract claims. The claims in both cases generally allege the same facts: that Stone provided insufficient instruction, clinical training, and facilities to prepare students for the nursing exam and other nursing licensing requirements, resulting in a substandard pass rate and the closure of the school in February 2023 without warning to students.

The Connecticut PJR, established in C.G.S. § 52-278, allows a party to apply for an order to attach or garnish property from another party in cases where there is probable cause that the applicant will win a judgment in an amount equal to or greater than the prejudgment remedy sought, taking into account any known defenses, counterclaims or set-offs. § 52-278c(b)(2). A PJR may also be sought on a set-off or counterclaim. § 52-278i. Importantly, the PJR can be available in the District of Connecticut under its local rules, D. Conn. L. Civ. R. 4(c).

In just one example of the power and resulting burden of the PJR, the defendants in the Stone Academy cases moved for permission “in relation to . . . [the] prejudgment remedy” for a partially owned subsidiary to sell certain assets so that that the subsidiary could continue operating. The defendants offered to hold in escrow a percentage of the sale price equal to the percentage of the defendants’ ownership in the subsidiary, but the court ordered the entire sale price to be held in escrow pending an evidentiary show cause hearing, at least temporarily restricting the funds of otherwise uninvolved co-owners.

Parties that could be in any way embroiled in litigation in Connecticut should be aware of and consider the potential consequences of a PJR.

Connecticut Attorney General William Tong’s office secured a \$5 million prejudgment remedy against a shuttered nursing school over the weekend, leaving the defunct for-profit Stone Academy on the hook for \$10 million in total as it continues to battle claims including breach of contract and unfair trade practices in separate lawsuits.

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