

NOTICE

RE: PROCEDURES FOR APPROVAL OF TRANSFER OF STRUCTURED SETTLEMENT PAYMENT RIGHTS

In response to the recommendation of the Conference of Civil Presiding Judges, the Supreme Court has approved a relaxation of R. 4:44 setting forth procedures for handling judicial approval of applications for the transfer or assignment of structured settlement payment rights brought under the Structured Settlement Protection Act, N.J.S.A. 2A:16-63 through 2A:16-69. A copy of the Order relaxing and supplementing R. 4:44 is published herewith.

This rule relaxation is an interim step pending development of rule amendments by the Civil Practice Committee in the next rules cycle.

Richard J. Williams, J.A.D.
Administrative Director of the Courts
Dated: June 7, 2002

ORDER

IT IS ORDERED, effective immediately and until further Order, that pursuant to N. J. Const. Art. VI, sec. 2, par. 3, the provisions of Rule 4:44 ('Proceedings to Approve Settlements') of the Rules Governing the Courts of the State of New Jersey are hereby relaxed and supplemented to require the following procedures for any application for the transfer or assignment of settlement rights brought under the Structured Settlement Protection Act, N.J.S.A. 2A:16-63 through 2A:16-69:

(a) All such applications shall be commenced by the filing of an order to show cause by the transferee, accompanied by a verified complaint which shall have annexed thereto a copy of the proposed transfer agreement, a copy of the disclosure statement required by N.J.S.A. 2A:16-65, and a list of the payee/assignor's dependents and their ages. The complaint and order to show cause shall be served upon the payee/assignor, all persons entitled to support by the payee/assignor and the issuer of the annuity, and the order to show cause shall be returnable not less than 15 days following the date of service.

(b) The payee/assignor shall appear on the return date of the order to show cause, and failure to appear shall result in denial of the application.

(c) In considering the application, the court shall determine whether the payee/assignor received independent advice from a professional not recommended by or affiliated with the transferee/assignee or has knowingly waived the right to seek that advice in writing, whether the transfer contravenes any applicable statute or court order, and whether there have been any previous transfers or assignment and, if so, the terms thereof. The court shall approve the transfer or assignment only if it finds it to be in the best interests of the payee/assignor and that it will not compromise the welfare of the payee's dependents.

For the Court
Chief Justice
Dated: June 4, 2002