

1 SENATE JOINT RESOLUTION

2 WHEREAS, The Illinois General Assembly recognizes that
3 nationwide the size of civil judgments has increased
4 dramatically in recent years; in 2002 alone, there were 22
5 judgments over \$100 million; and

6 WHEREAS, Damage awards in Illinois have escalated; in
7 Cook County, the size of median verdicts increased by more
8 than 300% in the period between 1990 and 1994, when compared
9 with the preceding 5 year period; and in Madison County,
10 there were 2 verdicts over \$250 million (including one for
11 over \$10 billion) handed down in a 2 week period in March
12 2003; and

13 WHEREAS, Studies and press reports suggest that Illinois
14 has developed a reputation as a place where large
15 multi-national corporations frequently face extraordinarily
16 large judgments; and

17 WHEREAS, This reputation could drive away many large,
18 healthy businesses that, but for the threat of being hit with
19 a massive judgment that would endanger the jobs of their
20 employees and the financial well being of their stockholders,
21 would open their doors in our State; and

22 WHEREAS, The economy of Illinois could suffer due to
23 competition from neighboring states that are not perceived as
24 litigation havens; and

25 WHEREAS, Preserving a healthy climate for business is
26 important so that Illinois can remain competitive with other
27 states in attracting businesses to our State and can prevent
28 the businesses that are already here from leaving; and

29 WHEREAS, Illinois Supreme Court Rule 305(a) requires
30 defendants to post an appeal bond in the full amount of the
31 judgment, interests, and costs in order to stay the execution

1 of a judgment during an appeal; and

2 WHEREAS, Because damage awards have escalated in recent
3 years, posting an appeal bond in the full amount of the
4 judgment, interest, and costs can be an extraordinarily
5 onerous requirement; and defendants who are unable to post a
6 bond may be forced either to declare bankruptcy in order to
7 stay the execution of the judgment or otherwise forego their
8 appeal and settle with the plaintiffs; and

9 WHEREAS, This "either or" scenario may prevent defendants
10 from meaningfully exercising their right to appeal, a right
11 that is guaranteed by Article VI, Section 6 of the Illinois
12 Constitution and that helps to ensure that trial courts
13 across the State act consistently with each other, as
14 evidenced by the fact that the one third of Illinois trial
15 court judgments in civil cases are reversed in some aspect;
16 and

17 WHEREAS, Twenty-four other states have acted since 2000
18 to protect a defendant's right to appeal by revising their
19 rules with respect to appeal bonds; and

20 WHEREAS, The Supreme Court of Illinois has before it a
21 petition to amend Illinois Supreme Court Rule 305 in light of
22 the escalating size of judgments; therefore, be it

23 RESOLVED, BY THE SENATE OF THE NINETY-THIRD GENERAL
24 ASSEMBLY OF THE STATE OF ILLINOIS, THE HOUSE OF
25 REPRESENTATIVES CONCURRING HEREIN, that the Supreme Court of
26 Illinois should give careful consideration to amending
27 Illinois Supreme Court Rule 305, with due consideration to
28 the actions of other states in this area, in order to ensure
29 that Illinois retains a competitive business environment; and
30 be if further

31 RESOLVED, That a suitable copy of this resolution be

1 presented to each justice of the Supreme Court of Illinois.