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> SUPERIOR COURT OF NEW JERSEY APPELLATE DIVISION DOCKET NO. A-2496-15T2

INVESTORS BANK, f/k/a GLOUCESTER COUNTY FEDERAL SAVINGS BANK,

Plaintiff-Respondent,

v.

TRAVELERS CABLE TV, INC., a/k/a TRAVELERS CABLE COMM., INC., TRAVELERS UTILITY SUPPLY, INC., TRAVELERS CABLE & UTILITIES, TRAVELERS CONSTRUCTION, TRAVELERS UTILITY SUPPLY, INC., TRAVELERS CABLE AND UTILITIES, TRAVELERS MEETING, INC., TRAVELERS TELECOM, CORP., TRAVELERS CABLE, INC., TRAVELERS CABLE COMMUNICATIONS, CORP., TRAVELERS CONSTRUCTION, LTD., BROADSTAR COMMUNICATIONS, LLC, ACCESS PROGRAM SERVICE, INC., BROADSTAR SECURITY, LLC, MILTON BELL, RUSSELL BELL, DERRICK BELL, and REBECCA E. BELL, GUARANTOR,

Defendants,

and

TYLER BELL, GUARANTOR,

Defendant-Appellant.

Submitted April 25, 2017 - Decided May 5, 2017

Before Judges Koblitz and Mayer.

On appeal from the Superior Court of New Jersey, Law Division, Gloucester County, Docket No. L-1283-03.

Jardim, Meisner & Susser, P.C., attorneys for appellant (Anthony Bedwell, of counsel and on the brief; Brian Baum, on the brief).

Saldutti Law Group, attorneys for respondent (Robert T. Lieber, Jr., of counsel and on the brief).

PER CURIAM

Defendant Tyler Bell appeals from two orders entered by the trial court. On February 10, 2015, the trial court entered judgment jointly and severally against various defendants, including Bell, for approximately \$1.8 million. Bell was a personal guarantor of a promissory note issued by plaintiff Investors Bank (Bank) to defendants. In seeking to collect on the judgment, the Bank filed a motion for payment out of income directed to Bell. On December 10, 2015, the trial court ordered Bell to pay out of income the sum of \$1,355.80 monthly to satisfy the judgment. On February 5, 2016, the trial court denied Bell's motion for reconsideration. Bell appealed the trial court's orders dated December 10, 2015 and February 5, 2016.

On appeal, Bell argues the trial court lacked jurisdiction to enter the order requiring payment out of income because Bell was a resident of the State of Florida and lacked any contact,

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assets or property in New Jersey. Bell also argues the payment out of income motion was contrary to Florida law. We disagree and affirm both orders.

In presenting arguments to the trial court, both Bell and the Bank relied upon <u>Mechanics Finance Co. v. Austin</u>, 8 <u>N.J.</u> 577 (1952). In <u>Mechanics Finance</u>, our Supreme Court rejected the very same arguments made by Bell. The Court expressly found that a foreign corporate employer authorized to transact business in New Jersey was subject to a wage garnishment by a judgment creditor against a judgment debtor. The Court held:

> [T]here [was] no discernible reason of principle or policy why a foreign corporation whose right to do business in New Jersey is conditioned upon submission to the State's judicial process should not be subject to notice that, in accordance with the statute, moneys in its possession owing to the judgment debtor have been appropriated by judicial decree to the satisfaction of the judgment and as well to an order of compliance. . . Although the employer here is not a citizen of or domiciled in New Jersey, there is residency in the State sufficient to subject it to the statutory process thus invoked. It is subject to the State's judicial power. Α foreign corporation is amenable to the jurisdiction of the New Jersey courts in garnishment if it could itself be sued by its creditor in this State.

[<u>Id.</u> at 581.]

The Bank presented evidence that Bell's employer was registered in the State of New Jersey. Bell claimed his employer,

National Cable and Internet, LLC, was registered in the State of Florida and was a separate corporate entity from National Cable and Internet, Limited Liability Company, a New Jersey limited liability company.

Consequently, prior to ruling on the Bank's motion to compel payment out of income, the trial court required the parties to depose Howard Bernstein, the chief financial officer of National Cable and Internet, LLC. He had submitted a certification in opposition to the Bank's motion to compel payments out of income. The trial court opined that if National Cable and Internet, LLC was not registered in New Jersey and conducted no business in New Jersey, then the court would lack jurisdiction under the holding in <u>Mechanics Finance</u>. Therefore, the trial court adjourned disposition of the Bank's motion to compel payment out of income until the completion of Bernstein's deposition.

After reviewing supplemental submissions filed by the parties, including Bernstein's deposition testimony, the trial court found Bell's arguments in opposition to the Bank's motion lacked merit. The trial court concluded that National Cable and Internet, Limited Liability Company, a New Jersey entity, was an alter ego of National Cable and Internet, LLC, a Florida entity. The trial court found:

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The similarities are just crystal clear in that they overlap. The names are the same, except for the spelling out of the LLC. The -- you know, the officer or the formation officer, is Bernstein, who is also the CEO in the Florida organization. The members, managers, National Cable and Internet, LLC, 3965 Investment Lane, A-5, West Palm Beach, 33404 is the zip code. That's the Florida. address of the LLC in Florida. Same for the main business address. You know, they clearly are in New Jersey, formed in New Jersey. There an extension of that Florida Limited is Liability Company in New Jersey. It's not disputed that they, after forming this, updated, paid their annual fees, kept alive. They are authorized, registered to do business in the State of New Jersey . . . it's the same players, it's the same organization.

Consequently, the trial court held National Cable and Internet, Limited Liability Company was an alter ego of National Cable and Internet, LLC and therefore ordered Bell to make monthly payments out of income to the Bank.

Bell filed a motion for reconsideration from the order compelling payment out of income. He argued that despite the trial court finding jurisdiction over Bell's employer, National Cable and Internet, LLC, the trial court lacked jurisdiction over Bell personally.

In response to the reconsideration motion, the Bank argued that by signing the personal guaranty, Bell waived any jurisdictional objections. The personal guaranty signed by Bell provided:

If there is a lawsuit, Guarantor agrees upon Lender's request to submit to the jurisdiction of the courts of Gloucester County, State of New Jersey . . . This Guaranty shall be governed by and construed in accordance with the laws of the State of New Jersey.

Based upon Bell's waiver of jurisdiction by signing the personal guaranty, the trial court held that Bell's consent to jurisdiction extended not only to the collection lawsuit but also to post-judgment collection applications as well. Defendant's counsel was unable to cite any case establishing that waiver of jurisdiction in a personal guaranty was limited to collection litigation and not applicable to post-judgment collection applications. The trial court denied Bell's reconsideration motion finding no new facts or evidence submitted in support of the motion and that Bell failed to demonstrate the trial court acted in an arbitrary, capricious or unreasonable manner.

Given the equitable nature of the remedy created by the trial court in this case, the standard of appellate review is abuse of discretion. <u>See Sears Mortq. Corp. v. Rose</u>, 134 <u>N.J.</u> 326, 354 (1993) (finding the trial court did not abuse its discretion in balancing the equities when formulating a remedy). Similarly, appellate review of a trial court's decision on a motion for reconsideration is the same abuse of discretion standard. <u>See</u> <u>Cummings v. Bahr</u>, 295 <u>N.J. Super.</u> 374, 389 (App. Div. 1996).

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Applying this standard to the orders on appeal, we find no abuse of discretion.

The trial court found jurisdiction over Bell as well as Bell's employer. The trial court properly determined National Cable and Internet, LLC was doing business in New Jersey through its alter ego National Cable and Internet, Limited Liability Company. The Bank's application was a request for a wage execution directed to Bell's employer, a New Jersey company. Because Bell's employer was a New Jersey company, the trial court had jurisdiction to enter the order requiring payment from Bell's wages. The trial court also properly concluded it had jurisdiction over Bell personally based upon the waiver of jurisdiction provision in the personal guaranty executed by Bell.

Affirmed.

I hereby certify that the foregoing is a true copy of the original on file in my office.