

An investor purchased stock through a corporation's initial stock offering. When the price of the stock plummeted soon after the purchase, the investor sued the company in a federal district court, claiming that the company's offering materials violated federal securities laws and seeking \$1 million in damages. The investor's suit proceeded to a bench trial. At the end of trial, the judge announced his findings of fact and conclusions of law and entered final judgment in favor of the corporation.

Four years later, the U.S. government brought charges against current and former members of the corporation's board for bribing judges and jurors in suits involving the corporation. The charges described how the corporation had bribed the judge in the investor's case to find in its favor. The investor now seeks relief from the judgment.

What is the best way for the investor to seek relief from the judgment?

- A. Move for a new trial.
- B. Move for judgment as a matter of law.
- C. Move for relief from a void judgment.
- D. Move to set aside the judgment for fraud on the court.

Explanation:

A party may use a variety of posttrial motions to **challenge a final judgment** entered by a federal court. Posttrial motions generally have fixed deadlines (see image above). However, a federal court may ***at any time***:

- **entertain an independent action** to relieve a party from a judgment, order, or proceeding
- **grant relief** as Congress directs in a **federal statute** *or*
- **set aside** a judgment due to **fraud on the court**.

Fraud on the court occurs when the integrity of the court is corrupted due to egregious conduct by judicial officers—eg, fabrication of evidence by an attorney, bribery of a judge or juror (as alleged here). Therefore, the best way for the investor to seek relief from the judgment four years after it was entered is to move to set it aside for fraud on the court.

(Choice A) A motion for new trial must be made within 28 days after entry of the judgment—not four years later (as seen here).

(Choice B) A motion for **judgment as a matter of law** must be made *before* a case is submitted to a jury—not four years *after* a bench trial (as seen here). In a bench trial, a party should instead move for a judgment on partial findings if the plaintiff has failed to prove his/her case.

(Choice C) A party can seek **relief from judgment** on the ground that the judgment is void. This occurs when the court lacked **subject-matter jurisdiction** or violated due process by failing to give notice or an opportunity to be heard. Here, subject-matter jurisdiction existed because the claim arose under federal securities laws, and due process was satisfied since the investor could participate. Therefore, the judgment is not void.

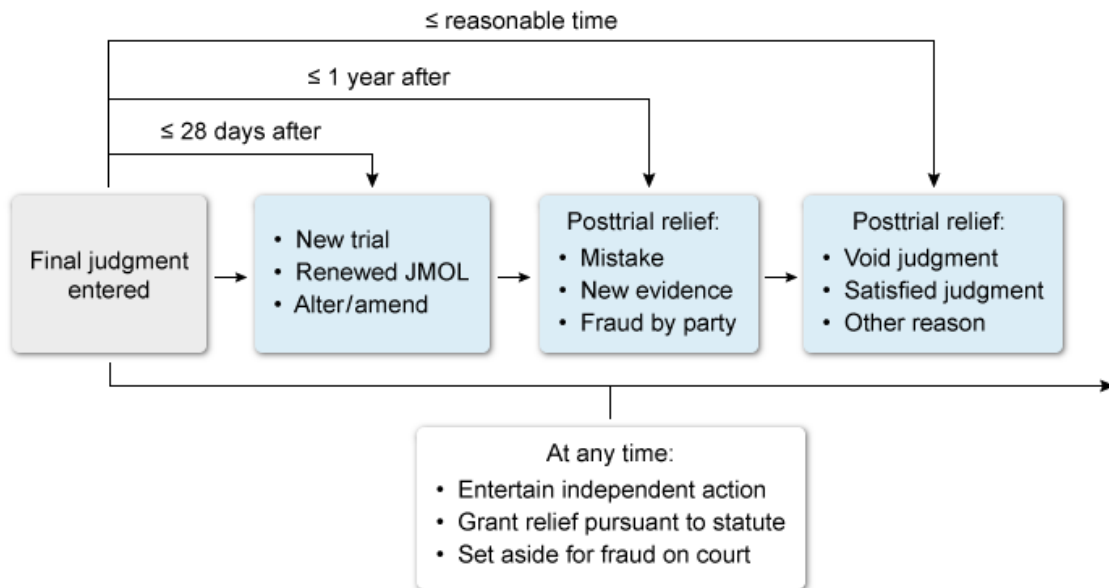
Educational objective:

At any time, a federal court may (1) entertain an independent action to relieve a party from a judgment, order, or proceeding, (2) grant relief pursuant to a federal statute, or (3) set aside a judgment for fraud on the court.

References

- Fed. R. Civ. P. 60(d) (other powers to grant relief).
- 11 Charles Alan Wright et al., Federal Practice and Procedure § 2870 (3d ed. 2020) (explaining fraud on the court).
- *Kupferman v. Consol. Research & Mfg. Corp.*, 459 F.2d 1072, 1078 (2d Cir. 1972) (defining the scope of fraud on the court).

Deadlines for posttrial motions



JMOL = Judgment as a matter of law.

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