

A recently enacted federal statute allows individuals to sue medical providers for fraudulent billing practices. A woman sued a hospital in a federal district court for allegedly violating this statute. The hospital did not challenge the woman's factual assertions but argued that its conduct was not "fraudulent" as defined by the statute.

After a bench trial, the district court issued its findings of fact and conclusions of law. The findings explained what the court believed to be the correct definition of "fraudulent" under the statute and concluded that the hospital's billing practices did not meet this definition. A final judgment in favor of the hospital was entered the same day.

Twenty-one days later, a federal appellate court, whose boundaries include the district court, issued an opinion in a different case that involved the same federal statute. In its opinion, the appellate court defined the term "fraudulent" differently than the district court. The appellate court's definition would have allowed the woman to prevail in her suit.

What is the most efficient action the woman can take to challenge the final judgment issued by the district court?

- A. File a motion for a new trial.
- B. File a motion to alter or amend the judgment.
- C. File a motion to correct the mistaken judgment.
- D. File a petition for writ of mandamus.

## **Explanation:**

### **Posttrial relief**

<b>Relief</b>	<b>Grounds</b>	<b>Timing</b>
<b>Attorney's fees</b>	<ul style="list-style-type: none"><li>• Statute or rule allows recovery</li></ul>	≤ 14 days after entry of final judgment
<b>Judgment as matter of law</b>	<ul style="list-style-type: none"><li>• Evidence legally insufficient to find for nonmovant</li></ul>	≤ 28 days after entry of final judgment
<b>New trial</b>	<ul style="list-style-type: none"><li>• Prejudicial trial error</li><li>• Prejudicial misconduct by judge, attorney, party, juror</li><li>• Verdict not supported by clear weight of evidence</li><li>• Verdict based on false/nonexistent evidence</li><li>• Excessive or inadequate damages</li><li>• Newly discovered evidence</li></ul>	
<b>Alter/amend judgment</b>	<ul style="list-style-type: none"><li>• Manifest error of law or fact is basis for judgment</li><li>• Intervening change in controlling law</li><li>• Newly discovered evidence</li></ul>	
<b>Correction of mistake</b>	<ul style="list-style-type: none"><li>• Clerical mistake</li><li>• Mistake arising from oversight or omission</li></ul>	Freely OR with appellate court's leave if docketed
<b>Extraordinary relief</b>	<ul style="list-style-type: none"><li>• Mistake, inadvertence, surprise, excusable neglect</li><li>• Newly discovered evidence</li><li>• Fraud, misrepresentation, misconduct by opposing party</li><li>• Void judgment</li><li>• Judgment satisfied, released, discharged</li><li>• Other reason justifying relief</li></ul>	≤ 1 year after entry of final judgment  Within reasonable time

Under FRCP 59(e), a party can file a motion to **alter or amend a final judgment** within 28 days after entry of the judgment when:

- the judgment is based on a **manifest error of law or fact**
- the alteration or amendment is necessary to **prevent manifest injustice**
- **new evidence** that was unavailable during trial has been **discovered or**
- there has been an **intervening change** in the **controlling law**.

Appellate court decisions are binding on all district courts within the [appellate court's boundaries](#). As a result, an intervening change in the controlling law occurs when an appellate court issues a decision that contradicts its district court's interpretation of the law.

Here, an intervening change in the controlling law occurred when the appellate court issued an opinion that defined "fraudulent" differently than the district court. Under the appellate court's definition, the woman would have prevailed in her suit. Therefore, the most efficient way to challenge the final judgment is to file a motion with the district court to alter or amend its judgment in accordance with the appellate court's definition.

**(Choice A)** Challenging the district court's definition of "fraudulent" by filing a motion for a new trial would not be the most *efficient* way to challenge the final judgment since a new trial would likely be expensive and time-consuming.

**(Choice C)** A motion to correct a mistaken judgment is appropriate when that judgment contains a clerical mistake or a mistake arising from an oversight or omission (not seen here).

**(Choice D)** A petition for writ of mandamus is a *rare* procedure that allows a party to seek appellate review *before* a final judgment is issued and only when no other remedy (eg, alter or amend judgment) is available.

#### **Educational objective:**

A party can move to alter or amend a final judgment within 28 days after the judgment is entered when (1) the judgment is based on a manifest error of law or fact, (2) it is necessary to prevent manifest injustice, (3) new evidence has been discovered, or (4) an intervening change in the controlling law has occurred.

**FRCP** = Federal Rule of Civil Procedure.

#### **References**

- Fed. R. Civ. P. 59(e) (motion to alter or amend a judgment).
- 47 Am. Jur. 2d Judgments § 636 (2019) (explaining the grounds for a motion to alter or amend a final judgment).

