

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA**

AUNT SALLY’S PRALINE SHOP, INC.

CIVIL ACTION

VERSUS

NO. 06-7674

**UNITED FIRE & CASUALTY
COMPANY**

SECTION “K”(5)

ORDER AND OPINION

Before the Court is the “Motion to Stay Enforcement of Judgment and Approval of Appeal Bond” filed on behalf of defendant United Fire and Casualty Company (Doc. 98). Having reviewed the pleadings, memoranda, and relevant law, the Court, for the reasons assigned, GRANTS the motion.


Pursuant to Rule 62(b) of the Federal Rules of Civil Procedure, a district judge has discretion to stay execution of a judgment pending disposition of a motion for new trial or to alter or amend a judgment under Federal Rule of Civil Procedure on such terms as are appropriate for the opposing party’s security. United Fire and Casualty Company has filed a motion for new trial pursuant to Rule 59 of the Federal Rules of Civil Procedure (Doc. 93) and offers a supersedeas bond in the amount of \$702,103.36 issued by United Fire and Indemnity Company as security. Plaintiff contends that the supersedeas bond does not constitute appropriate security because United Fire and Indemnity Company is a subsidiary of defendant United Fire and Casualty Company. The Court disagrees.

Neither the Federal Rules of Civil Procedure nor the Local Rules of the Eastern District require that the entity posting security be independent of the party for which security is being

posted. The Federal Rules of Civil Procedure require only “appropriate” security. With respect to corporate surety bonds, Local Rule 65.1 requires only that the bond be issued by “a corporation authorized by the Secretary of the Treasury of the United States to act as a surety on official bonds, pursuant to 31 U.S.C. 9303-9309. . . .” United Fire and Indemnity Company is authorized by the Secretary of the Treasury to act as a surety on official bonds.

In *Warren v. State Farm Fire and Casualty Company*, 2007 WL 2127839 at *2 (E.D. Ark. July 25, 2007), the district judge exercised his discretion and granted State Farm Fire and Casualty Company’s motion for a stay of judgment pursuant to Rule 62(d) where State Farm submitted a supersedeas bond written by a related company. The Court reasoned that “State Farm has filed a supersedeas bond. Additionally, State Farm has represented to the Court that it has the ability to pay the Judgment. The Court has no reason to doubt this representation.” The Court finds the *Warren* reasoning persuasive. United Fire and Casualty Company has filed an adequate supersedeas bond. Both United Fire and Indemnity Company and United Fire and Casualty Company have represented that they have sufficient assets to meet their financial obligations in connection with this matter, and the Court has no evidence which would cause it to doubt those representations. Accordingly, defendant United Fire and Casualty Company’s “Motion to Stay Enforcement of Judgment and Approval of Appeal Bond” is GRANTED.

New Orleans, Louisiana, this 29th day of October, 2008.



STANWOOD R. DUVAL, JR.
UNITED STATES DISTRICT JUDGE