



FOR IMMEDIATE RELEASE

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**EMPLOYERS SAY LAWSUITS ARE INCREASING, RAISING COSTS AND
MAKING IT MORE DIFFICULT TO DO BUSINESS IN NEW JERSEY**

New survey shows deep concern over state's litigation climate

Trenton (December 19, 2007) – A new survey released by the New Jersey Lawsuit Reform Alliance (NJLRA) shows employers give the state's business climate low marks, believe the number of lawsuits is increasing and making it harder to do business in New Jersey, and that the state's civil justice system needs reform. Large and small employers across the state participated in the survey, which was conducted by the Eagleton Institute of Politics at Rutgers University and commissioned by the New Jersey Lawsuit Reform Alliance (NJLRA).

“This study confirms that our state's economy and the litigation climate are indelibly connected,” said Marcus Rayner, Executive Director of NJLRA. “Our laws are inviting lawsuits against New Jersey employers and that has some very serious implications for New Jersey's economy, jobs and residents.”

According to the survey's findings, over one-third of the state's employers have been sued in the past five years. Other key findings include:

- More than half of employers believe the number of lawsuits has increased over the past five years.
- Nearly 4 in 10 employers have been threatened with a lawsuit in the past five years.
- 89 percent believe lawsuits are driving up the cost of doing business in New Jersey.
- 89 percent of business executives strongly agreed or agreed that lawsuits raise the prices that consumers pay for products and services.
- One in four employers has considered relocating their business outside of New Jersey because of a lawsuit or the threat of lawsuits.
- More than 8 in 10 employers support the passage of tort reform legislation.
- Three-quarters of respondents say that passing new laws to reform the civil justice system will make it easier for New Jersey to keep employers in the state.

“These findings clearly indicate that New Jersey has a lawsuit problem that needs to be addressed now. Our legislature should be working overtime to bring balance to our civil justice laws. Instead, our elected officials are considering legislation that would invite more lawsuits and put New Jersey law even further outside the mainstream,” noted Rayner.

The Legislature is now actively considering an expansion of New Jersey’s wrongful death act that would lead to more lawsuits. The wrongful death legislation being debated by the lame duck legislature would make New Jersey one of only eight states that allows virtually unlimited damages.

“The wrongful death expansion being considered now is extreme, unnecessary and absolutely a move in the wrong direction,” said Rayner.

The survey was conducted with the cooperation of the New Jersey Chamber of Commerce and the Commerce and Industry Association of New Jersey. Members of both organizations were invited to participate in the survey, which was conducted from November 15 through December 13.

“We recognize legal reform as a critical issue to New Jersey employers, which is why we are members of NJLRA and helped it with this survey,” said Joan Verplanck, president of the NJ Chamber of Commerce. “I hope these findings help convince our state’s leaders that we need to look for ways to keep jobs in the state and improve our economy.”

“New Jersey’s employers are starting to speak up about the need for legal reform,” said John Galandak, president of the Commerce and Industry Association of New Jersey. “The message from my organization’s members is clear: restore fairness to our civil justice system or see our economy to continue to suffer.”

New Jersey’s legal system recently captured national attention, with the release of the American Tort Reform Association’s (ATRA) *Judicial Hellholes* report. According to the report, Atlantic County is the sixth worst judicial hellhole in the United States as an increasing number of out-of-state plaintiffs are invited to bring their lawsuits to New Jersey.

“Our survey along with the *Hellholes* report should serve as a wakeup call to our policymakers,” warned Rayner. “Laws and courts that are bad for employers are ultimately bad for all of us.”

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The New Jersey Lawsuit Reform Alliance (NJLRA) is a statewide, bipartisan group of businesses, individuals and organizations committed to improving the State’s civil justice system by advocating for legal reforms in the legislature and in the courts. NJLRA believes a balanced civil justice system is critical to ensuring fair and open courts, maintaining and attracting jobs and fostering economic growth in New Jersey. NJLRA is the only organization in New Jersey dedicated exclusively to civil justice reform.