

CAN APPEAL BONDS BE CHANGED OR CANCELED?

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You go through the steps of obtaining the appeal bond for your client's appeal and the other party objects requiring something to be changed. How do you go about doing that since the bond has already been filed with the court? Or your client gets three months into the appeal and reaches a settlement with the other party, can you just cancel the bond?

Changes

Changes to appeal bonds are typically made by issuing a rider. A rider is issued by the agent on behalf of the surety and attaches to the original appeal bond. It states what change is being made and includes a notary and the surety's power of attorney.

A rider can be used to modify just about anything on a bond form. If the change required relates to corrections of things like the case caption, judgment debtor, or civil code section, a rider can generally be issued very quickly. When the change relates to the principal named on the bond or the amount of the bond, those changes may require increasing the collateral being held by the surety, if applicable, or modifying the surety's

indemnity agreement if the principal being added is not already a party to the indemnity agreement.

Cancelations

While bonds can be modified with relative ease, they cannot be simply canceled either by the surety or principal (judgment debtor or appellant). This noncancelable nature is important for protecting the judgment creditor during the course of the appeal by serving as a source of payment of the judgment and maintaining the status quo. Therefore, the only way to close out a bond is to exonerate the bond and discharge the surety's liability.



Determining how to exonerate the bond and discharge the surety's liability depends on the circumstances in which the case was concluded. In general, it requires establishing definitively that no liability can be argued against the appeal bond. In cases where the judgment was reversed in its entirety as to all judgments and

parties, this may be as straightforward as providing the court's opinion to the surety. The same may be true for cases that are settled where the settlement agreement specifically exonerates the bond referencing the bond number and surety.

Other situations such as partial reversals are not as clear cut and require an order from the court to exonerate the bond. More details on the process for closing out appeal bonds can be found in our article [The Appeal is Over...What Happens with the Appeal Bond?](#)

Conclusion

The stakes are already high when appealing a judgment and an inexperienced surety agent

who overlooks a minor issue in the appeal bond process can cause an unintended consequence. Working with agents and sureties that are well-versed in appeal bonds can help navigate these nuances.

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