

The Appellate Advocate:

A Recap of Recent Decisions by NJ's Appellate Courts



JMH Estates, LLC v. Jeter **No. A-0855-24**

Many of my childhood fears can be traced to characters in movies and television. The shark in *Jaws* made me scared to swim in the ocean. And Jerry Stiller's character in *Seinfeld* made me scared to own a South Florida condo. The waters in Amity Island had just one shark—and he was not fueled by personal grudges, at least not until *Jaws: The Revenge* (a movie that I am still not sure actually exists, though I have seen it too many times). The condo board at Del Boca Vista was filled with sharks, at least according to the ranting and raving of Jerry Stiller.

This week's featured case, *JMH Estates, LLC v. Jeter*, similarly involves a disputed condo sale—made all the more disputed by competing stakeholders looking to grab some portion before it could change hands.

The dispute began in 2020. The owner, Marcus Jeter, agreed to sell the unit to one investment company, which assigned its rights to RAS Investment Group for \$10,000. RAS quickly reassigned those rights to JMH Estates for \$11,500, and JMH placed that amount into escrow. What appeared to be a routine investment transaction soon encountered trouble: Jeter became uncooperative, delaying the closing and prompting JMH to seek court intervention.

But a larger problem had already been developing outside the parties' view. Jeter had become embroiled in separate litigation, and a judgment exceeding \$522,000 was eventually entered against him. The judgment creditor later secured an order compelling the sale of the condominium, effectively clouding title and making the original transaction impossible to complete. The property that all three investors had been maneuvering to acquire was no longer available on the terms they had anticipated.

The legal fight then shifted from ownership of the condo to ownership of the deposit. RAS argued that its assignment agreement with JMH remained enforceable and sought specific performance, effectively claiming entitlement to the escrowed funds. JMH countered that the deal had failed because clear title could no longer be delivered and demanded its money back.

The Appellate Division sided with JMH in a concise but pointed opinion. The court focused on the contract language itself: the assignment agreement expressly required that JMH receive “good and marketable title,” and it provided a specific remedy if title defects could not be cured. With the property unavailable and title compromised, the contract’s contingency provision controlled. JMH had the right to walk away and recover its deposit.

RAS also advanced a broader argument—that JMH should have acted faster to protect the property and preserve the transaction. The court was unmoved, finding no evidence that JMH breached any such duty and dismissing those claims as speculative. The judges affirmed the lower court’s ruling in full.

About Thomas Cotton

Thomas Cotton is a litigation partner at Schenck Price, representing clients in trial and appellate courts throughout the United States. In addition to his practice, he authors *The Appellate Advocate*, a semi-weekly blog offering thoughtful yet accessible commentary on recent appellate rulings.



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