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**SUPERIOR COURT OF NEW JERSEY  
APPELLATE DIVISION  
DOCKET NO. A-3300-22**

**RICHARD WU,**

**Plaintiff-Respondent/  
Cross-Appellant,**

**v.**

**YIN SHAN WU, a/k/a SAM WU,  
and GLOBAL CHAMPION  
CAPITAL, LLC,**

**Defendants-Appellants/  
Cross-Respondents.**

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Argued January 28, 2025 – Decided May 27, 2025

Before Judges Susswein and Perez Friscia.

On appeal from the Superior Court of New Jersey,  
Chancery Division, Hudson County, Docket No. C-  
000157-20.

Heng Wang argued the cause for appellants/cross-  
respondents (Wang, Gao & Associates, PC, attorneys;  
Heng Wang, on the briefs).

Seth A. Abrams argued the cause for respondent/cross-  
appellant (Schumann Hanlon Margulies, LLC, and

Aihong You, attorneys; Robert E. Margulies, Seth A. Abrams, and Aihong You, on the briefs).

## PER CURIAM

This appeal arises from an intrafamily dispute over who owns property in Jersey City. Plaintiff Richard Wu and defendant Sam Yin Shan Wu are brothers.<sup>1</sup> Following a bench trial, Sam and codefendant Global Champion Capital, LLC (Global) (defendants) appeal a May 22, 2023 Chancery Division judgment granting Richard quiet title and declaring him "the exclusive titleholder" of the Jersey City property. Richard cross-appeals the dismissal of his counterclaims against defendants for fraud, fraudulent conveyance, conspiracy to commit fraud, and punitive damages. After considering the record and the parties' arguments in light of the governing legal principles, we affirm the trial court decisions.

## I.

We presume, in this protracted litigation, the parties are familiar with the facts and procedural history, which are set forth in the trial court's twenty-two-page written opinion. We therefore only briefly summarize the relevant circumstances relevant to this appeal.

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<sup>1</sup> Because multiple parties and witnesses share the same last name, we use their first names. We mean no disrespect in doing so.

In 1986, Richard and Sam each bought a separate property on the same street in Jersey City. In 1997, Sam sold his property to Richard's then-wife, Bonnie, who then deeded it to Richard in June 1998. Thereafter, Richard paid off the property's mortgage, which had remained in Sam's name. Because the mortgage was paid off, Richard asked his attorney to prepare a new deed in December 1998 (the December deed) reflecting his ownership of the property. The December deed had numerous inaccuracies, including that Sam, instead of Richard, was named as the grantee and that Richard signed Sam's name on the deed. For the next twenty years, Richard paid all expenses on the property, including taxes, insurance, and repairs. He also rented the property to a tenant and collected rent.

In 2019, an attorney notified Sam of the December deed, which indicated that Sam owned the property. Sam then deeded the property to Global, a company his two sons owned.

In 2020, Richard became aware that ownership of the property had purportedly been transferred to Global and filed a complaint against Sam and Global for quiet title and alleging various torts, including fraud. Defendants argued the statute of limitations already lapsed and counterclaimed that Richard had unclean hands due to misinformation in the December deed. Defendants

also claimed the litigation should be dismissed because of equitable estoppel, fraud, waiver, and laches.

The court conducted a bench trial and found that Richard was the true owner of the property because Sam deeded it to Richard's then-wife, Bonnie, and she ultimately deeded it to Richard. The court voided the December deed because it was filled with inaccuracies and was legally unnecessary. Also, the court found that Richard had the indicia of ownership given that he paid all expenses and collected rent for twenty years. This appeal and cross-appeal followed.

Defendants argue the trial court ignored that Richard had unclean hands because he forged Sam's signature on the December deed. Defendants further contend the statute of limitations had passed. They also claim the court should have dismissed the litigation based on equitable estoppel, fraud, waiver, laches, and statute of frauds violations. Richard cross-appeals contending that defendants engaged in fraud, made a fraudulent conveyance, engaged in a civil conspiracy, and should have been liable for punitive damages.

## II.

We first address defendants' contention that the trial court erred in granting judgment in Richard's favor because he came into a court of equity with

unclean hands by having forged Sam's signature on the December deed. It is well-settled that:

The basic equitable maxim of unclean hands provides that "[a] suitor in equity must come into court with clean hands and . . . must keep them clean after [their] entry and throughout the proceedings." A. Hollander & Son, Inc. v. Imperial Fur Blending Corp., 2 N.J. 235, 246 . . . (1949); accord Johnson v. Johnson, 212 N.J. Super. 368, 384 . . . (Ch. Div. 1986); Pollino v. Pollino, 39 N.J. Super. 294, 298-99 . . . (Ch. Div. 1956). "In simple parlance, it merely gives expression to the equitable principle that a court should not grant relief to one who is a wrongdoer with respect to the subject matter in suit." Faustin v. Lewis, 85 N.J. 507, 511 . . . (1981). While "[u]sually applied to a plaintiff, this maxim means that a court of equity will refuse relief to [any] party who has acted in a manner contrary to the principles of equity." Johnson, 212 N.J. Super. at 384.

[Chrisomalis v. Chrisomalis, 260 N.J. Super. 50, 53-54 (App. Div. 1992) (first, third, and fourth alterations in original).]

Defendants argue the trial court ignored the fact that Richard forged Sam's signature. The record does not support that contention. The court gave three reasons for why it voided the December deed: it was legally insignificant because the title had already been transferred to Richard; it contained false information as to the grantor's and grantee's names; and Richard knowingly signed Sam's name. Thus, the trial court acknowledged that Richard had signed Sam's name on the December deed.

Because the trial court found that the December deed should be voided, it did not rule on defendants' counterclaim that Richard had unclean hands. Instead, the court found that Richard had erroneously believed he needed a new deed to reflect that he paid off the mortgage and, for unknown reasons, his lawyer "acquiesced and prepared" the December deed filled with errors, including that Richard signed Sam's name on it. Since Richard acted at all times under the guidance of his attorney, we conclude the court did not err by making no finding that Richard had unclean hands once it determined that the December deed in any event was void.

We add the doctrine of unclean hands is intended to preclude equitable relief to a wrongdoer. But here, the evidence does not support that Richard was a wrongdoer. He legally acquired the property and paid consideration for it, paid all property expenses, rented it, and had all indicia of ownership. Richard was under the mistaken notion that the December deed was necessary to vest proper title in him and he signed Sam's name on the deed under the guidance of a licensed attorney.

### III.

Nor are we persuaded by defendants' contention the statute of limitations barred Richard's complaint. The governing statute provides, "[e]very action at

law for real estate shall be commenced within [twenty] years next after the right or title thereto, or cause of such action shall have accrued." N.J.S.A. 2A:14-7.

Furthermore:

Any person in the peaceable possession of lands in this state and claiming ownership thereof, may, when [their] title thereto, or any part thereof, is denied or disputed, or any other person claims or is claimed to own the same, or any part thereof or interest therein, or to hold a lien or encumbrance thereon, and when no action is pending to enforce or test the validity of such title, claim or encumbrance, maintain an action in the superior court to settle the title to such lands and to clear up all doubts and disputes concerning the same.

[N.J.S.A. 2A:62-1.]

"The discovery rule is 'an equitable exception to the general rule that the statute of limitations begins to run when the cause of action accrues.'" Psak, Graziano, Piasecki & Whitelaw v. Fleet Nat'l Bank, 390 N.J. Super. 199, 208 (App. Div. 2007). In appropriate cases, "a cause of action will be held not to accrue until the injured party discovers, or by exercise of reasonable diligence and intelligence should have discovered that he may have a basis for an actionable claim." Ibid.

Here, the trial court found that Richard was in peaceable possession of the property and was not aware of any possible claim against his ownership interest until approximately 2020. Richard filed his complaint in August 2020, well

within the twenty-year statute of limitations. We decline to second guess the trial court's factual finding as to when Richard discovered a question regarding property ownership. See Zaman v. Felton, 219 N.J. 199, 215 (2014).

#### IV.

We turn next to defendants' contention that Richard's complaint should have been barred because of equitable estoppel, fraud, laches, waiver, and the statute of frauds. The trial court found that defendants did not sustain their burden of proof on any of these claims.

##### A. Equitable Estoppel

To establish equitable estoppel, the claiming party must show that the alleged conduct was done intentionally or under such circumstances that it was both natural and probable that it would induce action. Miller v. Miller, 97 N.J. 154, 163 (1984). Further, the conduct must be relied on, and the relying party must act so as to change their position to their detriment. Ibid.

Defendants argue that equitable estoppel should have barred Richard's complaint because he forged Sam's signature, misrepresented his identity, and transferred the property to Sam via the December deed. Sam claims he relied on Richard's misrepresentation when he transferred the property to Global in 2019.



We disagree. The trial court found the evidence indicated that Richard did not intentionally misrepresent that Sam owned the property. Richard signed the December deed under the mistaken impression his attorney gave to him that this was the proper way to establish his clear title.

### B. Fraud

Defendants argue the complaint should have been dismissed because Richard committed equitable fraud. Equitable fraud requires "(1) a material misrepresentation of a presently existing or past fact; (2) the maker's intent that the other party rely on it; and (3) detrimental reliance by the other party." McClellan v. Feit, 376 N.J. Super. 305, 317 (App. Div. 2005) (quotation marks omitted) (citing First Am. Title Ins. Co. v. Lawson, 177 N.J. 125, 136-37 (2003)). Knowledge of the falsity is not necessary to show equitable fraud. Jewish Ctr. of Sussex Cnty. v. Whale, 86 N.J. 619, 625 (1981).

As we have noted, the record shows Richard's attorney prepared the December deed. Thus, any errors in the December deed can be attributed to the attorney, not Richard. But even accepting for the sake of argument that Richard made a misrepresentation in the December deed, any such misrepresentation was a mistake and there was no intent on Richard's part for Sam to rely upon it.

### C. Waiver

Defendants argue the doctrine of waiver bars Richard's claims. "Waiver under New Jersey law 'involves the intentional relinquishment of a known right and thus it must be shown that the party charged with the waiver knew of [their] legal rights and deliberately intended to relinquish them.'" Spaeth v. Srinivasan, 403 N.J. Super. 508, 514 (App. Div. 2008) (citing Shebar v. Sanyo Bus. Sys. Corp., 111 N.J. 276, 291 (1988)).

Defendants argue that when Richard signed Sam's name on the December deed, he knowingly transferred title to Sam. Thus, defendants argue, the waiver doctrine should bar his claims because he intentionally relinquished a known right. This argument lacks sufficient merit to warrant extensive discussion. See Rule 2:11-3(e)(1)(E). The evidence clearly established that Richard signed the December deed with the intention of solidifying his title to the property, not to relinquish his ownership of it.

### D. Laches

Defendants' contention that the doctrine of laches bars Richard's complaint is also unpersuasive. "Laches will bar the prosecution of an equitable claim if the suitor has inexplicably, inexcusably and unreasonably delayed pursuing a claim to the prejudice of another party." In re Est. of Thomas, 431

N.J. Super. 22, 30 (App. Div. 2013) (citing Knorr v. Smeal, 178 N.J. 169, 180-81 (2003)). Defendants argue that Richard delayed bringing his complaint even though he knew there was a problem with the title as early as 1999. We reject that argument essentially for the same reasons as defendants' statute of limitations contention.

Although the record shows Richard knew that rebate checks, utilities, and property insurance remained in Sam's name, he was quite vigilant in ensuring in 1998 that the title was in his name when he paid off the mortgage. Furthermore, there was no prejudice to Sam because Sam knew that he had transferred title to Richard's then-wife, Bonnie, and she ultimately transferred it to Richard.

#### E. Statute of Frauds

Finally, defendants argue Richard's claim should be barred under the statute of frauds because he has no writing that shows that he has title to the property. The statute of frauds provides that any transfer of real estate must be in writing. N.J.S.A. 25:1-11. It is designed "to protect the public from fraud, incompetence, misinterpretation, sharp or unconscionable practice." Ellsworth Dobbs, Inc. v. Johnson, 50 N.J. 528, 553 (1967).

The record does not support defendants' argument. The deed from Sam to Bonnie and the deed from Bonnie to Richard were clear written statements

establishing Richard's ownership, satisfying the statute of frauds. The trial court voided the December deed for good reason, namely, because it was filled with errors and was legally unnecessary to Richard's clear title to the property.

## V.

We turn to the arguments Richard makes in support of his cross-appeal. Specifically, he contends that the trial court erred in denying his claims that defendants committed fraud, made a fraudulent conveyance, conspired to commit fraud, and should have been liable for punitive damages. We address each contention in turn.

### A. Fraud

Richard argues that defendants committed fraud by signing the October 2019 deed purportedly conveying the property from Sam to Global. "The five elements of common-law fraud are: (1) a material misrepresentation of a presently existing or past fact; (2) knowledge or belief by the defendant of its falsity; (3) an intention that the other person rely on it; (4) reasonable reliance thereon by the other person; and (5) resulting damages." Gennari v. Weichert Co. Realtors, 148 N.J. 582, 610 (1997) (citing Jewish Ctr. of Sussex Cnty., 86 N.J. at 624-25). As we have noted, equitable fraud consists of "(1) a material misrepresentation of a presently existing or past fact; (2) the maker's intent that

the other party rely on it; and (3) detrimental reliance by the other party." McClellan, 376 N.J. Super. at 317. The difference between legal and equitable fraud is that knowledge of the falsity is not necessary to show equitable fraud. Jewish Ctr. of Sussex Cnty., 86 N.J. at 625.

The trial court found Richard did not satisfy his burden of proof for either equitable or legal fraud because defendants did not intentionally commit fraud when they tried to capitalize on the fact that the December deed appeared to convey Richard's property interest to Sam. The trial court reasoned that the October 2019 deed from Sam to Global was not a fraudulent material misrepresentation due to the December deed that purportedly established that Sam owned the property. As the trial court noted, the December deed was in the public record. We agree with the trial court that defendants did not establish fraud based on the alleged material misrepresentation of trying to capitalize on the deed.

#### B. Fraudulent Conveyance

Richard argues that defendants fraudulently conveyed the property from Sam to Global. N.J.S.A. 25:2-25(a) provides that the conveyance of a property is voidable when the transfer was made by a debtor with a desire to defraud a creditor. A debtor is a person who is liable on a claim; a claim is a right to

payment; a creditor is a person who has a claim. Rosario v. Marco Constr. & Mgmt. Inc., 443 N.J. Super. 345, 354 (App. Div. 2016). A fraudulent conveyance occurs when the person making the conveyance has "put some asset beyond the reach of creditors which would have been available to them" had the conveyance not occurred, and the debtor transferred property with an "intent to defraud, delay, or hinder the creditor." Gilchinsky v. Nat'l Westminster Bank N.J., 159 N.J. 463, 475-76 (1999).

Richard argues that defendants intended to defraud him out of the property he purchased, which was a fraudulent conveyance. We are unpersuaded. Fraudulent conveyance concerns transferring an asset to cheat a creditor. Richard is not a creditor, and defendants were not debtors. Accordingly, on these facts, he did not prove the elements of a fraudulent conveyance.

### C. Conspiracy to Commit Fraud

A civil conspiracy is a "combination of two or more persons acting in concert to commit an unlawful act, . . . the principal element of which is an agreement between the parties to inflict a wrong against or an injury upon another, and an overt act that results in damage." LoBiondo v. Schwartz, 199 N.J. 62, 102 (2009). Richard claims that defendants conspired to commit fraud

as early as 2016, when Sam learned of the December deed. According to Richard, the conspiracy culminated in the transfer of the property in 2019.

We are unpersuaded essentially for the same reason that we reject Richard's fraud claims. The December deed seemingly established that Sam was the owner of the property. Because defendants had a basis to believe that Sam was the rightful owner of the property, defendants did not conspire to commit fraud.

#### D. Punitive Damages

Finally, we address Richard's contention that the trial court erred by not awarding him punitive damages. The Punitive Damages Act, N.J.S.A. 2A:15-5.9 to -5.17, permits a punitive damages award when the harm suffered "was the result of the defendant's acts or omissions, and such acts or omissions were actuated by actual malice or accompanied by a wanton and willful disregard of persons who foreseeably might be harmed by those acts or omissions." N.J.S.A. 2A:15-5.12. To determine whether an award of punitive damages is appropriate, the court should consider: "the likelihood . . . that serious harm would arise from the defendant's conduct;" "the defendant's awareness or reckless disregard of the likelihood that the serious harm at issue would arise from [their] conduct;" "the conduct of the defendant upon learning that its initial conduct would likely

cause harm;" and "the duration of the conduct or any concealment of it by the defendant." Ibid.

Richard argues the evidence shows that defendants embarked upon a clear plan to exploit a mistake in the December deed to essentially "steal" the property and thereby defraud him. But as the trial court found, and as we have already noted, the December deed provided evidence that defendants could rely on in arguing that Sam owned the property. In these circumstances, we are not persuaded that Richard has proved that defendants acted with actual malice or in wanton disregard for others.

To the extent we have not specifically addressed them, any remaining arguments raised by defendants in their appeal or Richard in his cross-appeal lack sufficient merit to warrant discussion. R. 2:11-3(e)(1)(E).

Affirmed.

I hereby certify that the foregoing is  
a true copy of the original on file in  
my office.

*M.C. Hanley*

Clerk of the Appellate Division