

STATE OF NEW YORK

6252

2017-2018 Regular Sessions

IN SENATE

May 11, 2017

Introduced by Sen. COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Consumer Protection

AN ACT to amend the general business law, in relation to cash advances for the purposes of litigation financing

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Subdivision 1 of section 352 of the general business law as
2 amended by chapter 961 of the laws of 1960, is amended to read as
3 follows:

4 1. Whenever it shall appear to the attorney-general, either upon
5 complaint or otherwise, that in the advertisement, investment advice,
6 purchase or sale within this state of any commodity dealt in on any
7 exchange within the United States of America or the delivery of which is
8 contemplated by transfer of negotiable documents of title all of which
9 are hereinafter called commodities, or that in the issuance, exchange,
10 purchase, sale, promotion, negotiation, advertisement, investment advice
11 or distribution within or from this state, of any stocks, bonds, notes,
12 evidences of interest or indebtedness, or cash advances for the purposes
13 of litigation financing, or other securities, including oil and mineral
14 deeds or leases and any interest therein, sold or transferred in whole
15 or in part to the purchaser where the same do not effect a transfer of
16 the title in fee simple to the land, or negotiable documents of title,
17 or foreign currency orders, calls or options therefor hereinafter called
18 security or securities, any person, partnership, corporation, company,
19 trust or association, or any agent or employee thereof, shall have
20 employed, or employs, or is about to employ any device, scheme or arti-
21 fice to defraud or for obtaining money or property by means of any false
22 pretense, representation or promise, or that any person, partnership,
23 corporation, company, trust or association, or any agent or employee
24 thereof, shall have made, makes or attempts to make within or from this
25 state fictitious or pretended purchases or sales of securities or

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD09788-01-7

1 commodities or that any person, partnership, corporation, company, trust
2 or association, or agent or employee thereof shall have employed, or
3 employs, or is about to employ, any deception, misrepresentation,
4 concealment, suppression, fraud, false pretense or false promise, or
5 shall have engaged in or engages in or is about to engage in any prac-
6 tice or transaction or course of business relating to the purchase,
7 exchange, investment advice or sale of securities or commodities which
8 is fraudulent or in violation of law and which has operated or which
9 would operate as a fraud upon the purchaser, or that any broker, dealer,
10 or salesman, as defined by section three hundred fifty-nine-e of this
11 article, or any agent or employee thereof, has sold or offered for sale
12 or is attempting to sell or is offering for sale any security or securi-
13 ties in violation of the provisions of said section or section three
14 hundred fifty-nine-ee, or that any other section of this article has
15 been violated, any one or all of which devices, schemes, artifices,
16 fictitious or pretended purchases or sales of securities or commodities,
17 deceptions, misrepresentations, concealments, suppressions, frauds,
18 false pretenses, false promises, practices, transactions and courses of
19 business are hereby declared to be and are hereinafter referred to as a
20 fraudulent practice or fraudulent practices or he believes it to be in
21 the public interest that an investigation be made, he may in his
22 discretion either require or permit such person, partnership, corpo-
23 ration, company, trust or association, or any agent or employee thereof,
24 to file with him a statement in writing under oath or otherwise as to
25 all the facts and circumstances concerning the subject matter which he
26 believes it is to the public interest to investigate, and for that
27 purpose may prescribe forms upon which such statements shall be made.
28 The attorney-general may also require such other data and information as
29 he may deem relevant and may make such special and independent investi-
30 gations as he may deem necessary in connection with the matter.

31 § 2. This act shall take effect immediately.