

STATE OF NEW YORK

9317

IN ASSEMBLY

February 23, 2022

Introduced by M. of A. GONZALEZ-ROJAS -- read once and referred to the Committee on Judiciary

AN ACT to amend the judiciary law, in relation to claims against certain obligators

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

1 Section 1. Subdivision 2 of section 489 of the judiciary law, as added
2 by chapter 394 of the laws of 2004, is amended and a new subdivision 4
3 is added to read as follows:

4 2. Except as set forth in subdivision three of this section, the
5 provisions of subdivision one of this section shall not apply to any
6 assignment, purchase or transfer hereafter made of one or more bonds,
7 promissory notes, bills of exchange, book debts, or other things in
8 action, or any claims or demands, if such assignment, purchase or trans-
9 fer included bonds, promissory notes, bills of exchange and/or book
10 debts, issued by or enforceable against the same eligible obligor
11 (whether or not also issued by or enforceable against any other eligible
12 obligors), having an aggregate purchase price of at least five hundred
13 thousand dollars, in which event the exemption provided by this subdivi-
14 sion shall apply as well to all other items, including other things in
15 action, claims and demands, included in such assignment, purchase or
16 transfer (but only if such other items are issued by or enforceable
17 against the same eligible obligor, or relate to or arise in connection
18 with such bonds, promissory notes, bills of exchange and/or book debts
19 or the issuance thereof). For purposes of this subdivision, the term
20 "eligible obligor" means an obligor that qualifies as a "debtor" within
21 the meaning of Title 11 of the United States Code.

22 4. For purposes of subdivision one of this section, an assignee's
23 intent and purpose in taking an assignment of a claim against an obligor
24 that is not an eligible obligor may be inferred from (a) the assignee's
25 (or its affiliates') history of acquiring claims at significant
26 discounts from a bond, promissory note, bill of exchange, book debt, or
27 other thing in action's face value and bringing legal actions to enforce
28 such claims; (b) the assignee or any predecessor in title to the claim

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

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1 having refused to participate in a consensual settlement of the claim if
2 holders of notes not less than sixty-six and two-thirds percent of the
3 outstanding amount of the notes of similar claims against the obligor
4 had agreed to accept the terms of that settlement; and (c) such other
5 facts or circumstances as a court may find relevant in assessing the
6 assignee's intent and purpose in taking the assignment.

7 § 2. This act shall take effect on the thirtieth day after it shall
8 have become a law. Effective immediately, the addition, amendment and/or
9 repeal of any rule or regulation necessary for the implementation of
10 this act on its effective date are authorized to be made and completed
11 on or before such effective date.