

1868

2009-2010 Regular Sessions

I N S E N A T E

February 9, 2009

Introduced by Sen. KLEIN -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to false statements or rumors as to financial institutions

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 671 of the banking law, as added by chapter 1031 of
2 the laws of 1965, is amended to read as follows:
3 S 671. False statements or rumors as to [banking] FINANCIAL insti-
4 tutions. 1. Any person who wilfully and knowingly makes, circulates or
5 transmits to another or others any statement or rumor, written, printed
6 or by word of mouth, which is untrue in fact and is directly or by
7 inference derogatory to the financial condition or [effects] AFFECTS the
8 solvency or financial standing of any bank, private banker, savings
9 bank, banking association, building and loan association, INVESTMENT
10 BANK or trust company doing business in this state, or who knowingly
11 counsels, aids, procures or induces another to start, transmit or circu-
12 late any such statement or rumor, is guilty of a CLASS A misdemeanor.
13 2. ANY PERSON WHO WILFULLY AND KNOWINGLY MAKES, CIRCULATES OR TRANS-
14 MITS TO ANOTHER OR OTHERS ANY STATEMENT OR RUMOR, WRITTEN, PRINTED OR BY
15 WORD OF MOUTH, WHICH IS UNTRUE IN FACT AND IS DIRECTLY OR BY INFERENCE
16 DEROGATORY TO THE FINANCIAL CONDITION OR AFFECTS THE SOLVENCY OR FINAN-
17 CIAL STANDING OF ANY BANK, PRIVATE BANKER, SAVINGS BANK, BANKING ASSOCI-
18 ATION, BUILDING AND LOAN ASSOCIATION, INVESTMENT BANK OR TRUST COMPANY
19 DOING BUSINESS IN THIS STATE, OR WHO KNOWINGLY COUNSELS, AIDS, PROCURES
20 OR INDUCES ANOTHER TO START, TRANSMIT OR CIRCULATE ANY SUCH STATEMENT OR
21 RUMOR WHERE THE FALSE STATEMENTS DIRECTLY IMPERIL THE SOLVENCY OF THE
22 AFORESAID PARTIES OR WHERE THE CONDUCT IS COMMITTED BY A PERSON WHO HAS
23 BEEN PREVIOUSLY CONVICTED OF A VIOLATION OF THIS SECTION, IS GUILTY OF A
24 CLASS E FELONY.
25 S 2. This act shall take effect on the first of November next succeed-
26 ing the date on which it shall have become a law.

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

LBD05256-01-9