

312--A

2013-2014 Regular Sessions

I N   A S S E M B L Y

(PREFILED)

January 9, 2013

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Introduced by M. of A. DINOWITZ, GOLDFEDER -- read once and referred to the Committee on Consumer Affairs and Protection -- recommitted to the Committee on Consumer Affairs and Protection in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the general business law, in relation to consumer protection from deceptive acts and practices

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

1     Section 1. Subdivisions (a) and (h) of section 349 of the general  
2 business law, subdivision (a) as added by chapter 43 of the laws of 1970  
3 and subdivision (h) as amended by chapter 157 of the laws of 1984, are  
4 amended and a new subdivision (i) is added to read as follows:  
5     (a) [Deceptive] UNCONSCIONABLE OR DECEPTIVE acts or practices in the  
6 conduct of any business, trade or commerce or in the furnishing of any  
7 service in this state are hereby declared unlawful.  
8     (h) (1) In addition to the right of action granted to the attorney  
9 general pursuant to this section, any person who has been injured by  
10 reason of any violation of this section may bring an action in his own  
11 name to enjoin such unlawful act or practice, an action to recover his  
12 actual damages or [fifty] FIVE HUNDRED dollars, whichever is greater, or  
13 both such actions. The court may, in its discretion, increase the award  
14 of damages to an amount not to exceed three times the actual damages up  
15 to [one] TEN thousand dollars, if the court finds the defendant willful-  
16 ly or knowingly violated this section. THE COURT MAY ALSO AWARD PUNITIVE  
17 DAMAGES IN AN AMOUNT NOT TO EXCEED THREE TIMES THE ACTUAL DAMAGES AND  
18 PROVIDE ANY EQUITABLE RELIEF THE COURT CONSIDERS NECESSARY OR PROPER.  
19     (2) The court [may] SHALL award reasonable attorney's fees AND COSTS  
20 to a prevailing plaintiff.

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

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1 (I)(1) IN DETERMINING WHETHER AN ACT OR PRACTICE IS UNCONSCIONABLE,  
2 THE COURT SHALL CONSIDER CIRCUMSTANCES OF WHICH THE DEFENDANT KNEW OR  
3 REASONABLY SHOULD HAVE KNOWN, INCLUDING, BUT NOT LIMITED TO THE FOLLOW-  
4 ING:

5 (A) THAT THE DEFENDANT TOOK ADVANTAGE OF THE INABILITY OF THE CONSUMER  
6 TO REASONABLY PROTECT THE CONSUMER'S INTERESTS BECAUSE OF THE CONSUMER'S  
7 PHYSICAL INFIRMITY, ILLITERACY OR INABILITY TO UNDERSTAND THE LANGUAGE  
8 OF AN AGREEMENT;

9 (B) THAT AT THE TIME THE CONSUMER TRANSACTION WAS ENTERED INTO, THE  
10 PRICE GROSSLY EXCEEDED THE PRICE AT WHICH SIMILAR PROPERTY OR SERVICES  
11 WERE READILY OBTAINABLE IN SIMILAR TRANSACTIONS BY SIMILAR CONSUMERS;

12 S 2. Paragraph (a) of subdivision 2 of section 349-c of the general  
13 business law, as added by chapter 687 of the laws of 1996 and such  
14 section as renumbered by chapter 189 of the laws of 1999, is amended to  
15 read as follows:

16 (a) In addition to any liability for damages or a civil penalty  
17 imposed pursuant to sections three hundred forty-nine, THREE HUNDRED  
18 FORTY-NINE-F, three hundred fifty-c and three hundred fifty-d of this  
19 [chapter] ARTICLE, regarding deceptive practices and false advertising,  
20 and subdivision twelve of section sixty-three of the executive law,  
21 regarding proceedings by the attorney general for equitable relief  
22 against fraudulent or illegal consumer fraud, a person or entity who  
23 engages in any conduct prohibited by said provisions of law, and whose  
24 conduct is perpetrated against one or more elderly persons, may be  
25 liable for an additional civil penalty not to exceed [ten] TWENTY thou-  
26 sand dollars, if the factors in paragraph (b) of this subdivision are  
27 present.

28 S 3. The general business law is amended by adding a new section 349-f  
29 to read as follows:

30 S 349-F. CIVIL ACTION. ANY CONSUMER ENTITLED TO BRING AN ACTION UNDER  
31 THIS ARTICLE MAY, IF THE UNLAWFUL ACT OR PRACTICE HAS CAUSED DAMAGE TO  
32 OTHER CONSUMERS SIMILARLY SITUATED, BRING AN ACTION ON BEHALF OF HIMSELF  
33 OR HERSELF AND SUCH OTHER CONSUMERS TO RECOVER DAMAGES OR OBTAIN OTHER  
34 RELIEF AS PROVIDED FOR IN THIS ARTICLE.

35 ANY ACTION BROUGHT UNDER THIS SUBDIVISION SHALL COMPLY WITH ARTICLE  
36 NINE OF THE CIVIL PRACTICE LAW AND RULES.

37 S 4. Section 350-d of the general business law, as amended by chapter  
38 208 of the laws of 2007, is amended to read as follows:

39 S 350-d. Civil penalty. Any person, firm, corporation or association  
40 or agent or employee thereof who engages in any of the acts or practices  
41 stated in this article to be unlawful shall be liable to a civil penalty  
42 of not more than [five] TEN thousand dollars for each violation, which  
43 shall accrue to the state of New York and may be recovered in a civil  
44 action brought by the attorney general. In any such action it shall be a  
45 complete defense that the advertisement is subject to and complies with  
46 the rules and regulations of, and the statutes administered by the  
47 Federal Trade Commission or any official department, division, commis-  
48 sion or agency of the state of New York.

49 S 5. Subdivision 3 of section 350-e of the general business law, as  
50 amended by chapter 328 of the laws of 2007, is amended and a new subdi-  
51 vision 4 is added to read as follows:

52 3. Any person who has been injured by reason of any violation of  
53 section three hundred fifty or three hundred fifty-a of this article may  
54 bring an action in his or her own name to enjoin such unlawful act or  
55 practice, an action to recover his or her actual damages or five hundred  
56 dollars, whichever is greater, or both such actions. The court may, in

1 its discretion, increase the award of damages to an amount not to exceed  
2 three times the actual damages, up to ten thousand dollars, if the court  
3 finds that the defendant willfully or knowingly violated this section.  
4 The court [may] SHALL award reasonable attorney's fees AND COSTS to a  
5 prevailing plaintiff.

6 4. (A) IN ADDITION TO ANY OTHER APPLICABLE PENALTY, ANY PERSON WHO  
7 INTENTIONALLY VIOLATES ANY INJUNCTION PROHIBITING UNCONSCIONABLE OR  
8 DECEPTIVE ACTS OR PRACTICES ISSUED PURSUANT TO THIS ARTICLE SHALL BE  
9 LIABLE FOR A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS FOR EACH  
10 VIOLATION. WHERE THE CONDUCT CONSTITUTING A VIOLATION IS OF A CONTINUING  
11 NATURE, EACH DAY OF THAT CONDUCT IS A SEPARATE AND DISTINCT VIOLATION.  
12 IN DETERMINING THE AMOUNT OF THE CIVIL PENALTY, THE COURT SHALL CONSIDER  
13 ALL RELEVANT CIRCUMSTANCES, INCLUDING, BUT NOT LIMITED TO, THE EXTENT OF  
14 THE HARM CAUSED BY THE CONDUCT CONSTITUTING A VIOLATION, THE NATURE AND  
15 PERSISTENCE OF THAT CONDUCT, THE LENGTH OF TIME OVER WHICH THE CONDUCT  
16 OCCURRED, THE ASSETS, LIABILITIES, AND NET WORTH OF THE DEFENDANT,  
17 WHETHER CORPORATE OR INDIVIDUAL, AND ANY CORRECTIVE ACTION TAKEN BY THE  
18 DEFENDANT.

19 (B) UPON PETITION BY THE ATTORNEY GENERAL, THE COURT MAY FOR HABITUAL  
20 VIOLATION OF INJUNCTIONS ISSUED PURSUANT TO THIS ARTICLE ORDER THE  
21 CANCELING OF ANY CERTIFICATE FILED UNDER AND BY VIRTUE OF THE PROVISIONS  
22 OF SECTION ONE HUNDRED THIRTY OF THIS CHAPTER.

23 S 6. This act shall take effect on the ninetieth day after it shall  
24 have become a law.