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:

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

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

4. For purposes of subdivision one of this section, an assignee's intent and purpose in taking an assignment of a claim against an obligor that is not an eligible obligor may be inferred from (a) the assignee's (or its affiliates') history of acquiring claims at significant discounts from a bond, promissory note, bill of exchange, book debt, or other thing in action's face value and bringing legal actions to enforce 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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having refused to participate in a consensual settlement of the claim if holders of notes not less than sixty-six and two-thirds percent of the outstanding amount of the notes of similar claims against the obligor had agreed to accept the terms of that settlement; and (c) such other facts or circumstances as a court may find relevant in assessing the assignee's intent and purpose in taking the assignment.

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