



# LAWSUIT REFORM ALLIANCE OF NEW YORK

# OPPOSE

**BILL NUMBER:** S.6414 (COMRIE) / A.2495A (Niou)  
**SUBJECT:** "Consumer and Small Business Protection Act"  
**DATE:** May 10, 2021  
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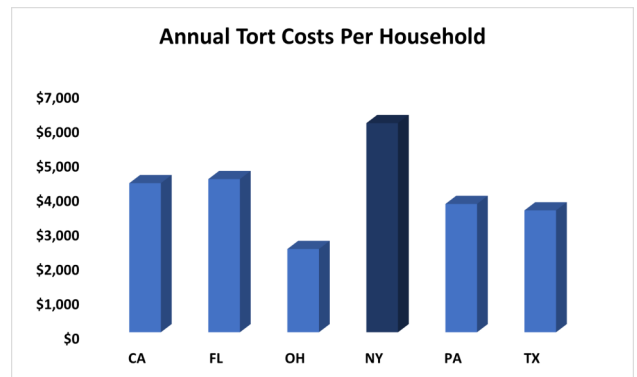
## Summary:

This poorly named piece of legislation would expand the General Business Law to allow for lawsuits for things that are "unfair," increase the current minimum awards by 2000% from \$50 to \$1000, and allow unaffected third parties to sue.

## Why we strongly oppose this legislation:

### *Would Increase and Incentivize Frivolous Lawsuits*

- New Yorkers already pays more for lawsuits than citizens of any other state (see graph).<sup>1</sup> This legislation will significantly increase those costs. Lowering standards and increasing payouts for lawsuits alleging minor violations will make these lawsuits more common and more costly. New York is already home to more food-related lawsuits than any other state and this bill would further incentivize lawyers to sue food producers and purveyors.<sup>2</sup>



### *Unfair is not a Legal Term of Art*

- The current General Business Law already allows for lawsuits for practices that are "unlawful" or "deceptive." These are known terms of art with specific legal meaning and years of case law clearly defining their parameters. To include practices that are "unfair" would open the floodgates of litigation. As many philosophers and artists have expressed over the centuries, life is unfair. To subject every possible unfair aspect of modern society to lawsuits-for-profit would yield more lawsuits and not more justice or balance.

### *Unaffected Parties will Sue for Profit*

- This legislation specifically allows for unaffected third parties to sue. As we have seen with Americans with Disabilities Act, lawyers can struggle to find plaintiffs.<sup>3</sup> In some cases, lawyers have fraudulently filed on behalf of unknowing plaintiffs for profit. If unaffected third parties are allowed to sue, as this legislation proposes, lawyers would no longer need real plaintiffs. Real plaintiffs and real injuries should be the bare minimum to sue. This legislation would remove the critical and necessary standard.

<sup>1</sup> Hinton, P., McKnight, D., Powell, L. "[Costs and Compensation of the US Tort System.](#)" Institute for Legal Reform, 2018

<sup>2</sup> "[Food & Consumer Packaged Goods Litigation 2020 Year in Review](#)" Perkins Coie, 2021

<sup>3</sup> Secret, M, "[Lawyers Find Obstacles to the Disabled, Then Find Plaintiffs.](#)" New York Times, 2012

<sup>4</sup> "[Attorney Charged with Filing Fraudulent Lawsuits Under The Americans With Disabilities Act.](#)" U.S. Attorney for the Southern District, 2019