





May 21, 2025

Dear Majority Leader Stewart Cousins, Speaker Heastie, and Members of the Legislature:

As a coalition of business advocates representing every aspect of New York's economy, we write to express our strong opposition to the Attorney General's proposed "Fostering Affordability and Integrity through Reasonable (FAIR) Business Practices Act." While we support protecting consumers and holding bad actors accountable, this bill would significantly expand the risk of profit-driven contingency fee law firms filing speculative lawsuits to coerce settlements. If this bill were to pass, it would be deeply harmful to the state's business climate and the integrity of the civil justice system.

The FAIR Act would weaken New York's reputation as a commercial and innovation hub and reduce job creation, capital investment, and disincentivize entrepreneurship. Companies of all sizes would be exposed to limitless liabilities and ordinary business conduct would be transformed into protracted legal battles. The FAIR Act will lead to higher prices for consumers and more small businesses shutting down or fleeing to neighboring states with less hostile legal climates.

The bill dramatically redefines what constitutes unlawful business conduct, expanding the scope from "deceptive" practices to include "unfair" and "abusive" acts — terms that are incredibly vague and subjective. The bill removes the well-established requirement that the conduct giving rise to the claim be "consumer-oriented" or affect the public at large. This change opens the door to lawsuits over one-off commercial transactions, employment relationships, and private disagreements that have never fallen within the scope of consumer protection statutes. These cases could be brought not only by individual plaintiffs but also as class action lawsuits, with mandatory statutory damages, treble damages, and the repayment of attorney's fees — lucrative provisions that will attract every jack-pot justice lawyer in the country to sue in New York.

Small businesses will be threatened with legal shakedowns should this bill become law. As drafted, the bill formalizes a demand letter process that will spawn a cottage industry of lawyers demanding small dollar settlements. The bill expressly authorizes private parties and their attorneys to send pre-suit demand letters and requires recipients to respond or face statutory penalties and litigation. These notices are not limited to actual injuries or deceptive conduct — they can allege entirely subjective grievances and still give rise to mandatory damages. For small businesses without in-house counsel or budgets to hire expensive defense attorneys, these demand letters will function as coercive settlement tools, regardless of the merits of the underlying claim. The result will be a flood of extortionate attempts by attorneys seeking quick payouts under threat of high-cost litigation.

Additionally, the bill's liberalized standing provisions invite abuse by allowing third-party organizations — including attorney-affiliated organizations — to bring lawsuits even when they are not representing an actually aggrieved plaintiff. These third parties would not need to demonstrate that any specific consumer was harmed and could simply allege that generalized harm potentially could have occurred. This not only invites speculative litigation, but also deputizes nonprofits as enforcement arms for

private law firms, bypassing traditional concepts of standing and due process. Main Street, local employers will be among the most frequent targets — not because they engaged in unlawful business practices, but because they are easier to pressure into settlement.

For the reasons above, we urge the Legislature to reject the proposed bill in its current form. A law that purports to protect consumers should not undermine due process and the ability of businesses to operate without fear of exploitive demand letters or catastrophic lawsuits. We stand ready to collaborate with policymakers to craft clear, targeted reforms that protect consumers without inviting legal abuse or destabilizing the state's economy.

Sincerely,

American Property Casualty Insurance Association  
Association of National Advertisers  
Big I NY  
Bronx Chamber of Commerce  
Brooklyn Chamber of Commerce  
Buffalo Niagara Partnership  
Business Council of Westchester  
Capital Region Chamber  
Empire State Restaurant & Tavern Association  
Financial Services Institute  
GEICO  
Food Industry Alliance of New York State  
Greater Binghamton Chamber of Commerce  
Greater Rochester Chamber  
Lawsuit Reform Alliance of New York  
Life Insurance Council of New York  
Long Island Association  
Long Island African American Chamber of Commerce  
National Federation of Independent Business/NY  
Manhattan Chamber of Commerce  
New York Bankers Association  
New York Credit Union Association  
New York Health Plan Association  
New York Insurance Association  
New York Restaurant Association  
New York State Association of Realtors  
New York State Creditors Bar Association  
New York State Farm Bureau  
Northeastern Retail Lumber Association  
Partnership for New York City  
Queens Chamber of Commerce  
Retail Council of New York State

Rockland Business Association  
Securities Industry and Financial Markets Association  
SKI NY  
Small Business Finance Association  
Staten Island Chamber of Commerce  
The Business Council of New York State  
Upstate United