Governor Cuomo Signs Legislation Increasing New York's Capacity to Prosecute Financial Fraud

Legislation Restores Six-Year Statute of Limitations under Martin Act

Allows New York State to Better Protect Investors and Consumers; Prevent Bad Practices; Hold Companies Accountable for Fraudulent Activity and Conduct

Governor Cuomo today signed legislation (S.6536/A.8318) increasing New York's capacity to prosecute financial fraud relating to stocks, bonds and other securities. This measure restores the six-year statute of limitations under the Martin Act, allowing New York to better protect investors and consumers, prevent bad practices and hold companies accountable for fraudulent activity and conduct.

"At a time when the Trump administration is hell-bent on rolling back consumer financial protections, New York remains dedicated to preventing and prosecuting fraudulent financial activity," **Governor Cuomo said**. "By restoring the six-year statute of limitations under the Martin Act, we are enhancing one of the state's most powerful tools to prosecute financial fraud so we can hold more bad actors accountable, protect investors and achieve a fairer New York for all."

Attorney General Letitia James said, "If Main Street has to play by a set of rules, then so must Wall Street. This law strengthens two of our most critical tools in holding corporate greed accountable and delivering justice for victims of financial fraud. As the federal government continues to abdicate its role of protecting investors and consumers, this law is particularly important. New York remains committed to finding and prosecuting the bad actors that rob victims and destabilize markets. I thank the bill's sponsors, Senator Gianaris and Assembly

Member Carroll, legislative leaders, and Governor Cuomo for helping to make this important bill the law of the land."

The Martin Act remains one of the most powerful tools at New York State's disposal to prosecute financial fraud. Previously, the Martin Act mandated a six-year statute of limitations; however, a Court of Appeals ruling overturned this precedent - reducing the statute of limitations to only three years. This ruling greatly jeopardized New York State's ability, through the Office of the Attorney General, to protect investors and consumers, prevent financial fraudulent activity and reimburse consumers harmed by such fraudulent activity. By restoring the statute of limitations to six years, this measure increases New York State's capacity to protect consumers, enforce securities law and it provides a reasonable amount of time to investigate cases of fraud.

Senator Michael Gianaris said, "The Martin Act has become an invaluable tool for enforcement against financial crimes and unfortunately a misguided court decision made it harder to use that tool. We wanted to go back to the way it was originally used and allow the state the maximum time possible to go after wrongdoing in the financial services industry. I am pleased the Governor signed this legislation and I am pleased to work with the Attorney General to fight financial crimes."

Assembly Member Robert C. Carrol said, "The Martin Act is one of the most powerful tools in the state's toolbox to prosecute financial fraud and protect consumers and investors. This six year timeline brings New York in line with most other state's and will help ensure that Wall Street's bad actors will be brought to justice by giving the Attorney General and others the necessary time to investigate these complex crimes. I'd like to thank Governor Cuomo and Attorney General James for leading this fight and am proud to have been the prime sponsor of this bill in the Assembly."