

**2021 -- S 0684 SUBSTITUTE A**

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LC001981/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2021**

**A N A C T**

**RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --  
DECEPTIVE TRADE PRACTICES**

Introduced By: Senators Archambault, Lombardo, Sosnowski, and Coyne

Date Introduced: March 18, 2021

Referred To: Senate Judiciary

(Attorney General)

It is enacted by the General Assembly as follows:

1           SECTION 1. Sections 6-13.1-4, 6-13.1-5, 6-13.1-5.2 and 6-13.1-8 of the General Laws in  
2 Chapter 6-13.1 entitled "Deceptive Trade Practices" are hereby amended to read as follows:

3           **6-13.1-4. Exemptions.**

4           (a) Nothing in this chapter shall apply to actions or transactions permitted under laws  
5 administered by the department of business regulation or other regulatory body or officer acting  
6 under statutory authority of this state or the United States.

7           (b) For actions brought by the attorney general, the exemption in subsection (a) of this  
8 section, applies only if the person claiming the exemption shows that:

9           (1) The person's business activities are subject to regulation by a state or federal agency;  
10 and

11           (2) The activity or conduct is in compliance with orders, including insurance bulletins, or  
12 rules of, or a statute administered by, a federal or state government agency.

13           **6-13.1-5. Restraining prohibited acts.**

14           (a) Whenever the attorney general has reason to believe that any person is using, has used,  
15 or is about to use any method, act, or practice declared to be unlawful by § 6-13.1-2, and that  
16 proceedings would be in the public interest, the attorney general may bring an action in the name  
17 of the state against the person to restrain by temporary or permanent injunction the use of the  
18 method, act, or practice, upon the giving of appropriate notice to that person and to seek any other

1 relief that may be appropriate. ~~The notice must generally state the relief sought and be served in~~  
2 ~~accordance with § 6-13.1-7 and at least three (3) days before the hearing of the action.~~

3 (b) The action may be brought in the superior court of the county in which the person shall  
4 dwell or be found; or have his principal place of business; or with consent of the parties; or if the  
5 person is a nonresident or has no principal place of business within this state or if the superior court  
6 shall not be in session in the counties previously said to be applicable, may be brought in the  
7 superior court of Providence County. The superior courts are authorized to issue temporary or  
8 permanent injunctions to restrain and prevent violations of this chapter and the injunctions shall be  
9 issued without bond.

10 (c) The court may make any additional orders or judgments that may be necessary to restore  
11 to any person in interest any moneys or property, real or personal, that may have been acquired by  
12 means of any practice in this chapter declared to be unlawful, including the appointment of a  
13 receiver in any case where the superior court finds that the assets of a corporation are in danger of  
14 being misapplied, dissipated, wasted, or lost, or the revocation of a license or certificate authorizing  
15 that person to engage in business in this state, or both.

16 (d) Actions under this chapter may be brought without regard to the pendency of criminal  
17 proceedings arising out of the same acts or practices and no action shall bar the institution of  
18 criminal proceedings arising out of the same acts or practices. No involuntary admission by any  
19 person in the action shall be admissible in any subsequent criminal proceeding.

20 (e) Any person who violates the terms of an injunction issued under this section shall forfeit  
21 and pay to the state a civil penalty of not more than ten thousand dollars (\$10,000) per violation.  
22 For the purposes of this section, the superior court of a county issuing an injunction shall retain  
23 jurisdiction, and the cause shall be continued, and in those cases the attorney general, acting in the  
24 name of the state, may petition for recovery of civil penalties and damages.

25 **6-13.1-5.2. Private and class actions.**

26 (a) Any person who purchases or leases goods or services primarily for personal, family,  
27 or household purposes and thereby suffers any ascertainable loss of money or property, real or  
28 personal, as a result of the use or employment by another person of a method, act, or practice  
29 declared unlawful by § 6-13.1-2, may bring an action under the rules of civil procedure in the  
30 superior court of the county in which the seller or lessor resides; is found; has his or her principal  
31 place of business or is doing business; or in the superior court of the county as is otherwise provided  
32 by law, to recover actual damages or ~~two hundred dollars (\$200)~~ five hundred dollars (\$500),  
33 whichever is greater. The court may award damages equal to three (3) times the amount of actual  
34 damages and, in its discretion, ~~award punitive damages and may~~ provide other equitable relief that

1 it deems necessary or proper.

2 (b) Persons entitled to bring an action under subsection (a) of this section may, if the  
3 unlawful method, act, or practice has caused similar injury to numerous other persons similarly  
4 situated and if they adequately represent the similarly situated persons, bring an action on behalf  
5 of themselves and other similarly injured and situated persons to recover damages as provided for  
6 in subsection (a) of this section. In any action brought under this section, the court may in its  
7 discretion order, in addition to damages, injunctive or other equitable relief.

8 (c) Upon commencement of any action brought under subsection (a) of this section, the  
9 clerk of court shall mail a copy of the complaint or other initial pleading to the attorney general  
10 and, upon entry of any judgment or decree in the action, shall mail a copy of the judgment or decree  
11 to the attorney general.

12 (d) In any action brought by a person under this section, the court may award, in addition  
13 to the relief provided in this section, reasonable attorney's fees and costs.

14 (e) Any permanent injunction, judgment, or order of the court made under § 6-13.1-5 shall  
15 be prima facie evidence in an action brought under this section that the respondent used or  
16 employed a method, act, or practice declared unlawful by § 6-13.1-2.

17 **6-13.1-8. Civil penalties.**

18 Any person who violates the ~~terms of an injunction issued under § 6-13.1-5~~ [provisions of](#)  
19 [this chapter](#) shall forfeit and pay to the state a civil penalty of not more than ten thousand dollars  
20 (\$10,000) per violation. ~~For the purposes of this section, the superior court of a county issuing an~~  
21 ~~injunction shall retain jurisdiction, and the cause shall be continued, and in those cases the~~ [The](#)  
22 attorney general, acting in the name of the state, may petition for recovery of civil penalties.

23 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO COMMERCIAL LAW -- GENERAL REGULATORY PROVISIONS --  
DECEPTIVE TRADE PRACTICES

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1           This act would limit exemptions to the deceptive trade practices act to business activities  
2 regulated by a state or federal agency and authorized expressly by law or regulation. This act would  
3 further provide that a violation of the deceptive trade practices act or of an injunction issued  
4 pursuant to the deceptive trade practices act shall result in a civil penalty not to exceed ten thousand  
5 dollars (\$10,000) per violation.

6           This act would take effect upon passage.

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