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## NYSBA Works To Bring Hundreds of Millions of Dollars in Legal Fees to N.Y.

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# NYSBA Works To Bring Hundreds of Millions of Dollars in Legal Fees to N.Y.

By Domenick Napoletano

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*The New York State Bar Association is working with the Commercial Division Advisory Council to provide economic benefits to NYSBA members and the State of New York. NYSBA President Domenick Napoletano discusses these joint efforts.*

**Are there any precedents for NYSBA's current efforts to persuade businesses to litigate their disputes in New York?**

NYSBA has helped its members develop their law practices by bringing commercial litigation to New York for many years. I will mention two examples. On June 25, 2011, the NYSBA House of Delegates approved the Final Report of the NYSBA Task Force on New York Law in International Matters. Page 1 of that Report stated that "As a part of its mission, the Task Force also seeks to educate lawyers, business leaders



and investors about the benefits of selecting New York law and a New York forum...” Page 3 of that Report stated that “Without attempting to project the increased revenues which would be generated for hotels, restaurants, court reporters, economic experts and the like, if the business of dispute resolution in New York were to increase by 10%-20%, it could produce approximately \$200 to \$400 million in incremental revenues annually for law firms in New York.”

**Do you really think that it might be possible to increase dispute resolution revenues for New York law firms by \$200 to \$400 million annually?**

That was the dollar amount in a report which NYSBA issued more than 13 years ago before the Commercial Division Advisory Council was created. The Advisory Council’s current goals are much higher than that.

**You mentioned two examples of NYSBA’s interest in attracting legal disputes to New York. What was the second example?**

My second example is more recent. On August 6, 2021, NYSBA’s Executive Committee approved a Report of another NYSBA Task Force which recognized (on page 9) that “the Commercial Division was created and the rules adopted in order to create a procedural framework that rivaled the Federal Rules, and would provide the sort of framework that would be helpful in attracting legal disputes between multi-national or multi-state corporations to New York.”

**How can the Commercial Division provide economic benefits to NYSBA members?**

The Commercial Division is renowned as one of the world’s most efficient venues for the resolution of commercial disputes. The excellent reputation of the Commercial Division attracts commercial litigation to New York State which might otherwise be brought in other states or countries. NYSBA members may be able to work on these cases if NYSBA can help them communicate to businesses the reasons why they should litigate in New York.

**Can the Commercial Division cause businesses to move to or expand operations in New York State?**

Companies often seek to avoid doing business in jurisdictions which they perceive as unfriendly to business. Conversely, they often want to locate their operations in business-friendly jurisdictions. It is also important to many businesses (particularly financial services firms) to have ready access to cost-effective and predictable mechanisms for resolving business disputes.

**When did the relationship between NYSBA and the Commercial Division begin?**

NYSBA’s Commercial and Federal Litigation Section proposed the creation of a commercial court in New York State in 1994. That Section has worked closely with the Commercial Division for nearly 30 years. The Commercial Division Advisory Council has worked with the ComFed Section and other NYSBA Sections on member benefits.

**How are NYSBA and the Advisory Council helping NYSBA members to get more business?** One of the ways is by distributing the short educational film about the Commercial Division which the Commercial Division Advisory Council has produced. The film is available for viewing on [YouTube](https://www.youtube.com/watch?v=195552034) or <https://vimeo.com/195552034>. The film features sixteen Judges and eleven General Counsel of major corporations speaking about the Commercial Division. One purpose of the film is to

educate businesses about the advantages and benefits of litigating their disputes in New York. The film has been designed to be interesting and useful to lawyers and their clients, particularly in connection with their selection of a forum for business litigation (either in contractual choice of forum clauses or in commencing litigation). The film portrays improvements that have been made to the Commercial Division's rules, procedures, and operations to be responsive to the needs and concerns of the business community. These changes have made the business litigation process in New York more cost-effective, predictable, and expeditious, and have thereby provided a more attractive and hospitable environment for business litigation in New York State.

### **Can you give us another example?**

NYSBA is helping to distribute a one page [flyer](#) describing the Commercial Division which has been developed jointly by the Commercial Division Advisory Council and The Business Council of New York State, Inc. NYSBA and the Advisory Council have asked lawyers to distribute this flyer to current and potential clients and anyone else who might have an interest in litigating a dispute in New York. The Business Council is distributing this document to businesses which are considering moving to, or expanding or maintaining their presence in, New York State.

### **Anything else?**

We are also distributing a [document](#) entitled "The Benefits of the Commercial Division to the State of New York" which was prepared by the Commercial Division Advisory Council. This document demonstrates how the Commercial Division helps New York State to attract and retain businesses and therefore to generate tax revenues and provide jobs. The value and importance of these benefits are confirmed in the [Proclamation](#) relating to the Commercial Division which the New York City Council issued at its Stated Meeting on December 20, 2018. In its Proclamation, the City Council concludes that "New York owes much of its world-class status as an economic engine to its world-class court: the Commercial Division of the New York Supreme Court." The City Council's Proclamation also states:

"WHEREAS: The Commercial Division is uniquely qualified to increase taxable revenue for the City of New York while stimulating job growth. It strengthens New York City's ability to attract and retain businesses, which add jobs, fuel demand for real property, and increase tax revenue. The tax revenues from local businesses also provide financial support for the New York State judicial system[.]"