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CasePrepPlus

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Summarizing recent significant New York appellate cases

The Court of Appeals recently held that the Climate Leadership and Community Protection Act does not preempt local legislation aimed at reducing greenhouse gas emissions and transitioning to clean energy in order to combat climate change. Rather, the Court held, the Climate Act's aspirational language provides room for localities, here New York City, to adopt regulations that seek to serve the same environmental protection goals. Let's take a look at that opinion and what else has been happening in the Court of Appeals over the past week.

COURT OF APPEALS

CRIMINAL LAW, CONSTITUTIONAL RIGHT TO SELF-REPRESENTATION

People v Lewis, 2025 NY Slip Op 03011 (Ct App May 20, 2025)

Issue: What inquiry is required when a criminal defendant requests to represent himself at trial?

Facts: In the months leading up to defendant's trial, he repeatedly expressed his dissatisfaction with his defense counsel, and asserted he would prefer to represent himself. On the day of trial, defendant asked for defense counsel to be relieved due to a "conflict of interest," which the trial court denied. After jury selection began, at the end of the first day, defendant made an oral application to proceed pro se. The Court declined the request, without conducting any inquiry. At the beginning of the next day, defendant reiterated his request, and the trial court again denied it without inquiry.

Later on the second day, the People offered defendant a plea to 16 years imprisonment, which they asserted would avoid defendant facing a potential life sentence as a persistent felony offender. "Although defendant attempted to contest his designation as a persistent felony offender, the court interrupted to explain that 'it's only relevant if [he's] convicted and the [prosecution] files persistent papers,' and then resumed jury selection. On the following day, defendant pleaded guilty to the indictment in exchange for the recommended sentence. In fact, based on his record, defendant was correct that he could not have been sentenced as a persistent felony offender if convicted at trial."

Defense counsel eventually realized the mistake, and helped Defendant move to withdraw his guilty plea. At that time, Defendant renewed his application to proceed pro se. The trial court advised defendant that he would not relieve defense counsel unless defendant retained a new one, but otherwise granted the motion to withdraw Defendant's guilty plea. The day before jury selection was to begin in the second trial, defense counsel moved to withdraw citing an apparent threat to his life by defendant. The trial court denied the motion, and denied it again when defense counsel renewed it the next morning. Based on the threats that Defendant made, however, the trial court "ordered defendant handcuffed during trial." The trial then proceeded, and defendant was convicted of three of the four charged counts. The court sentenced him to 25 years imprisonment, and on appeal, the Appellate Division, Second Department affirmed.

Holding: The Court of Appeals, in a split 4-3 opinion, held that "the court violated defendant's right to self-representation when it denied, without the requisite inquiry, his unequivocal request to proceed pro se." The Court explained, "'[t]he right to self-representation embodies one of the most cherished ideals of our culture: the right of an individual to determine their own destiny.' The Court has long understood that defendants may assert their right to self-representation for a variety of reasons, including dissatisfaction with counsel. Other motivations are less virtuous, and a declaration to proceed pro se may be a means to delay the proceedings and obstruct the judicial process. 'In light of the manifold and conflicting principles permeating the assertion of a defendant's right to defend pro se, it is not absolute but subject to certain restrictions. Such limitations must be implemented in order to promote the orderly administration of justice and to prevent subsequent attack on a verdict claiming a denial of fundamental fairness.' Under McIntyre's three-pronged test, a defendant may proceed pro se if '(1) the request is unequivocal and timely asserted, (2) there has been a knowing and intelligent waiver of the right to counsel, and (3) the defendant has not engaged in conduct which would prevent the fair and orderly exposition of the issues.' As it is uncontested that the court did not make the inquiry required by prong two, the sole question on appeal is whether any of defendant's requests to proceed pro se were timely and unequivocal."

Although defendant's first request to proceed pro se was untimely, because it was made after jury selection had begun, "defendant made an unequivocal request to proceed pro se after he moved to withdraw his guilty plea," stating that "he was 'taking his plea back' and didn't need counsel, whom he believed was ineffective, to represent him at trial . . . The court then asked, 'You're going to represent yourself?' Defendant did not mince words and responded, simply, 'yes.' There is no other plausible reading of this colloquy than that defendant twice requested to represent himself, and in direct response to the court's question of whether he would represent himself at trial, answered in the simplest and most direct way with a single 'yes.'" Because the majority held that defendant unequivocally requested to represent himself, and the trial court never inquired whether the waiver of the right to counsel was knowing and intelligent, defendant was denied his constitutional right to self-representation and his conviction was reversed.

CORPORATE LAW, INTERNAL AFFAIRS DOCTRINE

Ezrasons, Inc. v Rudd, 2025 NY Slip Op 03008 (Ct App May 20, 2025)

Issue: Did the New York legislature partially override the corporate internal affairs doctrine—a choice-of-law rule providing that, with rare exception, the substantive law of the place of incorporation governs disputes relating to the rights and relationships of corporate shareholders and managers—more than 60 years ago by granting all beneficial owners of shares in foreign corporations standing to litigate derivatively on behalf of their companies in New York, irrespective of conflicting foreign substantive law?

Facts: Plaintiff is the beneficial owner of shares in Barclays PLC, "a bank holding company incorporated under the laws of England and Wales and headquartered in London." Plaintiff filed this shareholder derivative suit on behalf of Barclays against its officers and directors for aiding and abetting breach of fiduciary duty. Barclay's New York affiliate and certain individuals moved to dismiss, arguing that "plaintiff lacked standing under English law to maintain this action because plaintiff is not a registered member of Barclays. Defendants submitted with their motion an affirmation from an English law expert explaining that English statutory and common law limit the right to maintain a derivative action on behalf of an English corporation to registered members of the corporation, excluding beneficial owners like plaintiff. To qualify as a member under English law, a party must be a legal owner of shares and have their name recorded on the company's official register of members. Plaintiff conceded it was not a registered member of Barclays but nonetheless argued that it was authorized by sections 626 (a) and 1319 (a) (2) of New York's Business Corporation Law to represent Barclays against its management in New York, irrespective of English law. Relying on Culligan Soft Water Co. v Clayton Dubilier & Rice LLC (118 AD3d 422 [1st Dept 2014]), plaintiff argued that those statutory provisions displace the internal affairs doctrine and mandate application of New York substantive law to standing questions in shareholder derivative litigation brought in this state."

"Supreme Court granted defendants' motion to dismiss the complaint, explaining that under the internal affairs doctrine, foreign law governs the question of whether a plaintiff has the right to sue corporate management on behalf of a foreign corporation." The court rejected plaintiff's argument that the legislature implicitly overrode the internal affairs doctrine, holding instead that the statutory provisions on which plaintiff relief "simply confer jurisdiction upon New York courts over derivative suits on behalf of out-of-state corporations, but do not require application of New York law in such suits." The Appellate Division, First Department affirmed.

Holding: The Court of Appeals too rejected Plaintiff's argument that sections 626 (a) and 1319 (a) (2) of the BCL implicitly overrode application of the internal affairs doctrine in derivative suits commenced in New York. The Court explained, "the [internal affairs] doctrine operates as a choice-of-law rule and mandates that, with rare exception, the substantive law of the place of incorporation applies to disputes involving the internal affairs of a corporation . . . New York jurisprudence is replete with evidence of our longstanding adherence to the internal affairs doctrine. The roots of the doctrine extend back at least to the mid-nineteenth century, when industrialization and the enactment of general incorporation statutes increased the number of firms with interstate operations . . . Over time, courts developed exceptions to the jurisdictional rule . . . As relevant here, shareholder derivative actions brought on behalf of foreign corporations were entertained in at least some instances. Nonetheless, throughout this period courts frequently reconfirmed the deference owed to the substantive law of the place of incorporation on internal affairs matters."

With this historical background in mind, the Court held, "[l]ike any judicially created rule, New York's internal affairs doctrine is susceptible to override by statute. However, we have emphasized that a clear and specific legislative intent is required to override the common law and that such a prerogative must be unambiguous." "Courts should not conclude that the legislature intended to supersede such a long-observed choice-of-law rule absent a clear manifestation in the statutory language. Applying that rule, we disagree with plaintiff that sections 626 (a) and 1319 (a) (2) of the BCL implicitly displace the doctrine as it applies to shareholder derivative standing."

Indeed, the Court explained, "[b]y providing that 'an action may be brought' by specified classes of persons, the legislature evidently established a baseline New York standing rule. Under the internal affairs doctrine, however, foreign substantive law controls in the event of any conflict between New York law and the law of a company's place of incorporation on matters relating to its internal affairs. Whether a particular stakeholder is authorized to represent the company, much less in litigation against its managers, is a question that plainly implicates corporate rights and internal relationships. The text of section 626 (a) does not clearly indicate that it was intended to serve as both a New York standing rule and a choice-of-law directive. The fact that it authorizes actions to be brought on behalf of either 'a domestic or foreign corporation' may set the stage for a conflict between New York and foreign standing law, but it does not suggest that New York law should prevail in the event of such conflict. Instead, we read that language as simply confirming New York courts' jurisdiction to entertain derivative actions brought on behalf of foreign corporations—an issue that was unsettled in this state until shortly before the BCL was enacted." Nor does the "text of section 1319 [contain] a directive that section 626 (a) controls in the event of conflict with foreign substantive law . . . Had the legislature intended for sections 626 and 1319 to override the internal affairs doctrine as it applies to shareholder derivative standing, the drafters could have said so expressly."

ENVIRONMENTAL LAW, PREEMPTION

Glen Oaks Vil. Owners, Inc. v City of New York, 2025 NY Slip Op 03101 (Ct App May 22, 2025)

Issue: Does the Climate Leadership and Community Protection Act preempt local legislation aimed at reducing greenhouse gas emissions and transitioning to clean energy in order to combat climate change?

Facts: "The City Council enacted Local Law No. 97 in May 2019, to require specific reductions in greenhouse gas emissions from large buildings. The legislation seeks to achieve a minimum 40% reduction in greenhouse gas emissions citywide by 2030, as well as a minimum 80% reduction in emissions by 2050, relative to emissions from 2005 . . . In June 2019, the State passed the Climate Act, likewise adopting measures intended to result in a significant reduction of greenhouse gas emissions, but on a statewide basis. The goal of the Climate Act is 'to reduce greenhouse gas emissions from all anthropogenic sources 100% over 1990 levels by the year 2050, with an incremental target of at least a 40 percent reduction in climate pollution by the year 2030,' in keeping with national and international projections of necessary measures to minimize the most extreme effects of climate change. Although the state legislation sets these broad targets, it does not establish any specific emissions limits. Rather, it contemplates that, within a year of the Climate Act's effective date, the Department of Environmental Conservation will establish statewide greenhouse gas emissions limits."

"Plaintiffs, representatives of residential buildings subject to Local Law No. 97's emissions requirements, commenced this declaratory judgment action asserting that Local Law No. 97 is preempted by the Climate Act because the State has occupied the field of regulating greenhouse gas emissions. Defendants—the City of New York, the City's Department of Buildings and the Commissioner of the Department of Buildings—moved to dismiss pursuant to CPLR 3211 (a) (7), arguing that plaintiffs failed to state a cause of action." Supreme Court granted the motion and dismissed the complaint. The Appellate Division modified by reinstating the preemption cause of action, and as so modified affirmed. The Appellate Division then granted leave to appeal.

Holding: The Court of Appeals reversed, holding that "the Climate Act does not preempt the field of regulating greenhouse gas emissions." The Court explained, "State law can preempt local law in one of two ways: either through conflict preemption, which occurs when the local and State laws directly conflict, or field preemption, which occurs when a local government legislates in a field for which the State Legislature has assumed full regulatory responsibility . . . The State's intent to occupy a particular field can be express or implied. An implied intent to preempt may be found in a declaration of State policy by the State Legislature or from the fact that the Legislature has enacted a comprehensive and detailed regulatory scheme in a particular area. Yet, the mere fact that the Legislature has enacted specific legislation in a particular field does not necessarily lead to the conclusion that broader agency regulation of the same field is foreclosed. The key question in all cases is what did the Legislature intend? In answering that question, we must determine whether the State's action with respect to a particular subject demonstrates a desire that its regulations should preempt the possibility of discordant local regulations. Once it has been determined that the State has preempted an entire field, a local law regulating the same subject matter is deemed inconsistent with the State's overriding interests because it either (1) prohibits conduct which the State law, although perhaps not expressly speaking to, considers acceptable or at least does not proscribe or (2) imposes additional restrictions on rights granted by State law."

"Rather than demonstrating an intent to preempt the field of regulating greenhouse gas emissions, the Climate Act recognizes that local government plays an important role in this area. The Act does not expressly prohibit local regulation of emissions. To the contrary, the Act's legislative findings evince a sense of urgency concerning the implementation of mitigation measures in general and further express the legislature's intent to 'encourage other jurisdictions to implement complementary greenhouse gas reduction strategies.'"

"Although the Climate Act announces an intent to create a 'comprehensive regulatory program' for regulating greenhouse gas emissions, that type of 'expansive' language is not dispositive, particularly in the absence of any indication that the legislature had a desire for across-the-board uniformity with respect to emissions reduction efforts. The Climate Act represents a wide-ranging, statewide effort to address climate change that is, to some degree, forward-looking and aspirational in nature, establishing the ultimate goals of the reduction of greenhouse gas emissions and leaving the mechanism for the implementation of those goals to further study and eventual regulation. While ambitious in its reach, the legislation is not so broad and detailed in scope as to require a determination that it has precluded all local regulation in the area, particularly where, as here, the local law would only further the State's policy interests. We cannot conclude that the 'aspirational language' in the legislative findings was intended to prevent localities from taking measures that would help the State achieve its overall emissions goals. We therefore hold that the legislature has neither expressed nor implied any intent to preempt the field of regulating greenhouse gas emissions."

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