

# Business & Classifieds

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## Fraud act protects business

**Q. Can my business seek recourse through the Consumer Fraud Act if it is the victim of fraud in a commercial transaction?**

Yes, under many circumstances the New Jersey Consumer Fraud Act ("CFA" or "the Act") will offer protection not only to individual consumers, but also to businesses victimized by fraudulent commercial practices.

Specifically, the CFA prohibits any intentionally "unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing concealment, suppression, or omission of any material fact," in the sale of goods or serv-

ices, regardless of whether the target of such conduct was, in fact, misled, deceived or damaged. When a business purchases goods or services that it does not intend to resell, it will be treated as a consumer pursuant to the CFA and entitled to the act's protections.

The remedies available under the CFA are very broad, making it a valuable legal option for victims of any fraudulent commercial practices. First, an injured party may recover treble damages based on the actual losses that re-

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sulted from a violation of the CFA. Moreover, assuming a good-faith claim is established, the CFA provides for recovery of reasonable legal fees and costs.

The CFA should be considered as a possible avenue of recourse in all disputes that arise over the purchase of products or services, other than those that are to be resold by the purchaser. If you believe your business has been the target of fraudulent conduct in connection with the sale or advertisement of any qualifying goods or services, you should consult

your attorney regarding a potential cause of action under the Consumer Fraud Act.

*Michael Yellin is an associate in the litigation department of Cole, Schotz, Meisel, Forman & Leonard PA, the largest law firm in Bergen County. He can be reached at myellin@coleschotz.com or 201-525-6258. This column is not intended as legal advice, which can be given only after the attorney understands the facts of a particular matter and the goals of a client.*

Question for a lawyer? E-mail [businessnews@northjersey.com](mailto:businessnews@northjersey.com).