

<b>Group US Mgt. LLC v James</b>
2026 NY Slip Op 31159(U)
March 20, 2026
Supreme Court, New York County
Docket Number: Index No. 160797/2025
Judge: David B. Cohen
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**SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY**

**PRESENT: HON. DAVID B. COHEN PART 58**

*Justice*

-----X

THE GROUP US MANAGEMENT LLC

Petitioner,

- v -

LETITIA JAMES, in her Capacity as Attorney General of the  
State of New York,

Respondent.

-----X

**INDEX NO.** 160797/2025

**MOTION DATE** 08/13/2025,  
08/29/2025

**MOTION SEQ. NO.** 001 002

**DECISION + JUDGMENT**

The following e-filed documents, listed by NYSCEF document number (Motion 001) 3, 9, 88, 149  
were read on this motion to/for QUASH SUBPOENA, FIX CONDITIONS.

The following e-filed documents, listed by NYSCEF document number (Motion 002) 11, 12, 13, 14, 15,  
16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43,  
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142, 143, 144, 145, 146, 147, 148, 150

were read on this motion to/for QUASH SUBPOENA, FIX CONDITIONS.

In its amended petition (seq. 001), petitioner seeks an order quashing two non-judicial  
subpoenas duces tecum issued by respondent to petitioner and The Group Hospitality.

By notice of motion (seq. 002), petitioner moves to quash or modify the two subpoenas.  
Respondent cross-moves for an order enforcing the subpoenas.

**I. BACKGROUND**

The subpoenas, issued in 2025, relate to an investigation by respondent into whether  
petitioner and other entities are engaged in fraudulent and deceptive practices regarding online  
customer reviews of a collection of restaurants to which petitioner, a New York limited liability  
company, operates and/or provides services.

Respondent issued the first subpoena to The Group Hospitality due to the belief that petitioner's counsel represented that entity. Petitioner's counsel later informed respondent that it was not aware of that entity, and a second subpoena was issued to petitioner.

Respondent contends that petitioner and its agents have purchased and solicited false and misleading online reviews of restaurants located in New York and other cities and countries, with the reviews appearing in such platforms as Yelp, Tripadvisor, Open Table and Google Maps. Respondent believes that as part of the scheme, diners at these restaurants are offered "favors," such as free drinks or desserts, or gift cards, if they are willing to give more favorable online reviews of the restaurants, and that diners are paid to delete or alter negative reviews involving their experiences at these restaurants.

In the subpoenas, respondent asks for certain documents, records, and other forms of information. Both subpoenas define petitioner to include "predecessors, successors, present or former parents, subsidiaries or affiliates, whether direct or indirect; and all directors, officers, partners, employees, agents, contractors, consultants, representatives, and attorneys of the foregoing, or any other persons associating with or acting on behalf of the foregoing, or acting on behalf of any predecessors, successors or affiliates of the foregoing."

The subpoenas include 13 requests involving practices that petitioner and its affiliates and agents allegedly engaged in connection with "Review Management," which is defined to mean "engaging in, assisting with, or asking others to write, edit, revise, publish, post, or place an online Review or Reviews for a business, website, person, product, service or organization with which you are affiliated with, which you compete, whether or not you provided any compensation for the Review."

Respondent maintains that as of October 2025, despite several conferences with petitioner's counsel since the issuance of the first subpoena, petitioner has not produced or provided a single document. Respondent has expressed a willingness to discuss limitations to its requests.

## II. THE PETITION AND CROSS-MOTION

Petitioner moves to quash or modify the subpoenas pursuant to CPLR 2304, which relates to non-judicial subpoenas. It contends that the first subpoena was issued to an entity that has no connection to it. As to the second subpoena, petitioner denies providing "Review Management" as defined in the subpoena. Petitioner claims to have previously advised respondent that petitioner does not communicate with customers or reviewers of the restaurants to which it provides services, but rather an entity called TGC-MK Management provides such services for its restaurants.

Petitioner acknowledges that when customers of the restaurants for which petitioner provides services express dissatisfaction with their dining experience while at the restaurants or in a review, customers may be offered a complimentary drink or food.

Alternatively, petitioner seeks a modification so as to limit the scope to documents related to allegedly fraudulent or illegal activities concerning Review Management and to limit it to New York restaurants and patrons. Petitioner contends that respondent lacks the jurisdiction to investigate non-New York restaurants under section 63(12) of the New York Executive Law (Executive Law).

Respondent cross-moves to dismiss the petition and compel petitioner to comply with the investigation and respond to the subpoenas. Respondent contends that she has the right to issue

an investigative subpoena in her capacity as the New York State Attorney General, there is a factual basis for this investigation, and the information sought is relevant to the investigation.

Respondent argues that she has broad authority to issue the subpoenas and ample cause to do so with respect to petitioner, especially given petitioner's acknowledgment that its vendor engaged in "over the line" conduct by offering gifts cards to customers who posted negative on-line reviews in exchange for deleting or altering their reviews. Respondent also asserts that the documents she seeks from petitioner are reasonably related to her investigation, and that petitioner fails to raise any legitimate basis for quashing the subpoenas. As for the documents concerning non-New York restaurants and customers, respondent contends that such information is reasonably related to the subject matter of the investigation and is permitted under the Executive Law.

In opposition to the cross-motion, petitioner argues that the subpoenas are overbroad, as (1) respondent lacks authority to investigate allegedly deceptive transactions occurring outside of New York, and (2) the documents sought include those unrelated to unlawful conduct. Petitioner supports modifying the subpoenas, if quashing is denied by the court.

In reply, respondent continues to argue that she has the authority to investigate events outside of New York as long as they are relevant to the investigation, and that the documents sought are reasonably relevant.

After the pleadings and cross-motion were filed, the Appellate Division, First Department, issued a decision in *The People of New York v Sirius XM Radio, Inc.*, 243 AD3d 424 (1st Dept 2025). There, the petitioner claimed that the respondent, a New York-based media company that offered satellite radio to consumers via subscriptions, required consumers to "undergo a lengthy and burdensome" process in order to cancel a subscription "as a strategy for

keeping as many consumers from cancelling as possible.” The petitioner sued, contending that the respondent had engaged in deceptive acts or practices. The Court held that the petitioner could not base its claim or seek recovery based on out-of-state consumers because all of their communications regarding their cancelled accounts occurred outside of New York. The Court determined that Executive Law 63(12) did not apply since the deception did not occur in New York.

Both parties have sent letters to this court, referring to the Appellate Court decision and discussing how it affects this proceeding. Petitioner argues that said decision should serve as a precedent in determining the outcome here.

### III. ANALYSIS

As the first subpoena was issued to an entity other than petitioner, and to which petitioner has no relationship, the first subpoena is vacated.

Pursuant to Executive Law 63(12), whenever any person has engaged in repeated fraudulent or illegal acts or otherwise demonstrated fraud or illegality in the carrying on, conducting or transaction of business, the attorney general may apply, in the name of the people of the state of New York, to the supreme court of the state of New York, on notice of five days, for an order enjoining the continuance of such business activity or of any fraudulent or illegal acts . . . In connection with such application, the attorney general is authorized to take proof and make a determination of the relevant facts and to issue subpoenas in accordance with the civil practice law and rules.

Executive Law 63(12) is a “broadly-worded” anti-fraud statute, and applies to all fraudulent or illegal business activity within New York State, and provides the Attorney General with the authority to regulate businesses in New York (*People by James v Trump*, \_ AD3d \_,

2025 NY Slip Op 04756 [1st Dept 2025]). The test for fraud is whether the targeted act has the capacity or tendency to deceive or create an atmosphere conducive to fraud (*see People v Genl. Elec. Co.*, 302 AD2d 314, 314 [1st Dept 2003]).

Respondent has submitted numerous consumer complaints and reviews that petitioner's diners were offered favors in exchange for providing favorable online reviews, and thus respondent demonstrates a valid basis for investigating petitioner and its agents and seeking information via subpoena.

While petitioner claims that it does not provide "review management" services, it is undisputed that another entity provides such services to petitioner, and given the breadth of the subpoena's reach to petitioner's "predecessors, successors, present or former parents, subsidiaries or affiliates, whether direct or indirect; and all directors, officers, partners, employees, agents, contractors, consultants, representatives, and attorneys of the foregoing, or any other persons associating with or acting on behalf of the foregoing, or acting on behalf of any predecessors, successors or affiliates of the foregoing," petitioner has not demonstrated that respondent's requests related to review management are improper or overbroad.

Moreover, given that the statute permits respondent to investigate fraud as well as illegality, petitioner has not shown that the subpoena seeks irrelevant information. Finally, to the extent that the subpoena seeks information about out-of-state consumers related to their experiences with petitioner's restaurants, *People v Sirius XM* is inapposite since there, communications took place exclusively outside of New York between out-of-state consumers and corporate representatives in the Philippines, which petitioner has not demonstrated here (*see also Goshen v Mut. Life Ins. Co. of New York*, 98 NY2d 314, 324 [2002] ["the transaction in which the consumer is deceived must occur in New York"]).

*Sirius* is also not applicable as that decision involved a summary judgment motion, whereas here, respondent is still investigating petitioner’s actions, and petitioner’s responses to the subpoenas will enable respondent to determine to what extent the alleged deceptive acts occurred in New York.

Accordingly, it is

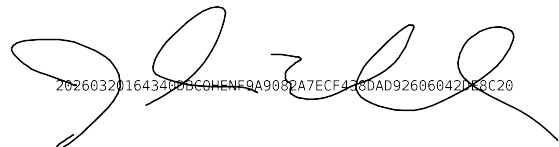
ORDERED and ADJUDGED that the amended petition to quash (seq. 001) is granted to the extent of quashing the subpoena issued to The Group Hospitality, and is otherwise denied; it is further

ORDERED that petitioner’s motion to quash or modify the subpoenas is denied as academic; and it is further

ORDERED that respondent’s cross-motion to enforce the subpoenas is granted to the extent of directing petitioner to provide responses to the subpoena issued to it within 15 days of the date of this order.

3/20/2026

DATE



DAVID B. COHEN, J.S.C.

CHECK ONE:

CASE DISPOSED  
GRANTED  DENIED  
SETTLE ORDER  
INCLUDES TRANSFER/REASSIGN

NON-FINAL DISPOSITION  
GRANTED IN PART  OTHER  
SUBMIT ORDER  
FIDUCIARY APPOINTMENT  REFERENCE

APPLICATION:

CHECK IF APPROPRIATE: