

COUNCIL OF THE CITY OF PHILADELPHIA  
COMMITTEE ON COMMERCE AND ECONOMIC  
DEVELOPMENT

Room 400, City Hall  
Philadelphia, Pennsylvania  
Tuesday, October 22, 2024  
1:15 p.m.

PRESENT:

COUNCILMAN MARK SQUILLA, CHAIR  
COUNCILMAN CURTIS JONES, JR., VICE-CHAIR  
COUNCILMAN MICHAEL DRISCOLL  
COUNCILWOMAN JAMIE GAUTHIER  
COUNCILWOMAN KATHERINE GILMORE RICHARDSON  
COUNCILMAN JEFFREY YOUNG, JR.

ALSO PRESENT:

COUNCILWOMAN RUE LANDAU

BILL: 240662

1                   - - -

2                   COUNCILMAN SQUILLA: Good

3 afternoon, everyone, and welcome to

4 the hearing of the Committee on

5 Commerce and Economic Development.

6 I note that the hour has come and a

7 quorum of the Committee is present.

8                   Mr. McMonagle, please read

9 the roll.

10                  THE CLERK: Councilman

11 Driscoll.

12                  COUNCILMAN DRISCOLL:

13 Present.

14                  THE CLERK: Councilwoman

15 Gauthier.

16                  (No response.)

17                  THE CLERK: Councilwoman

18 Gilmore Richardson.

19                  COUNCILWOMAN GILMORE

20 RICHARDSON: Present.

21                  THE CLERK: Councilman

22 Squilla.

23                  COUNCILMAN SQUILLA:

24 Present.

1 THE CLERK: Councilman

2 Young.

3 COUNCILMAN YOUNG:

4 Present.

5 COUNCILMAN SQUILLA: Thank

6 you. A quorum of the Committee is

7 present. The hearing is now called

8 to order. This is a public hearing

9 on the Committee of Commerce and

10 Economic Development regarding Bill

11 No. 240662.

12 Mr. McMonagle, will you

13 please read the title of the bill --

14 before you read the title of the

15 bill, I recognize Councilmember

16 Gauthier as present.

17 THE CLERK: Bill No.

18 240662, amending Chapter 9-6300

19 ("Consumer Protection Ordinance") of

20 The Philadelphia Code to clarify the

21 statute of limitations and provide

22 for retroactivity, all under certain

23 terms and conditions.

24 COUNCILMAN SQUILLA: Thank

1 you, Mr. McMonagle.

2 Will you please call the

3 first panel to testify on Bill No.

4 240662.

5 THE CLERK: Can we please

6 have Lydia Furst.

7 (Witness approached

8 Witness table.)

9 COUNCILMAN SQUILLA: Good

10 afternoon, Lydia. Just state your

11 name for the record and then proceed

12 with your testimony.

13 MS. FURST: Okay. Lydia

14 Furst. Good afternoon, Chairman

15 Squilla and members of the Committee

16 on Commerce and Economic

17 Development. My name is Lydia Furst

18 and I'm the Chief Deputy City

19 Solicitor of the Affirmative and

20 Special Litigation Unit in the

21 City's Law Department, which

22 represents the City in affirmative

23 public policy litigation and in

24 civil actions.

1           Thank you for your  
2 continued support of this important  
3 Consumer Protection law and for  
4 welcoming me back before you to  
5 advocate for this update to the law.  
6 As you know, the Consumer Protection  
7 law grants the Law Department the  
8 authority to directly address  
9 deceptive and fraudulent business  
10 practices and to obtain tangible  
11 relief for those harmed.

12           This new bill would allow  
13 the Law Department to address  
14 violations of the law that occurred  
15 up to six years prior to the date of  
16 its implementation, June 5, 2024,  
17 and provides for a six-year statute  
18 of limitations going forward. Scams  
19 and fraudulent business practices  
20 can have a lasting impact on  
21 consumers.

22           To mitigate the harm  
23 experienced by consumers who have  
24 been victimized by deceptive

1 business practices, we must have the  
2 ability to hold perpetrators  
3 accountable to the law. This bill  
4 will strengthen our ability to do  
5 so. I want to quickly address the  
6 significance of the six-year period  
7 for retroactive application as it  
8 relates to the Consumer Protection  
9 law.

10           The period for retroactive  
11 action provided by this bill would  
12 include the years most affected by  
13 the COVID-19 pandemic, a time during  
14 which many individuals were  
15 experiencing heightened financial  
16 and personal stress and navigating  
17 an unstable and unpredictable  
18 economy.

19           During this time,  
20 consumers were more susceptible to  
21 and often targeted with frauds and  
22 scams. This retroactivity bill will  
23 allow us to hold accountable those  
24 who took advantage of consumers

1 during this vulnerable time. It  
2 also strengthens our ability to  
3 protect consumers from deceptive  
4 business practices and to remediate  
5 past exploitation.

6           Importantly, the  
7 retroactive provision will only  
8 reach actors whose conduct would  
9 also have violated the state  
10 Consumer Protection law at the time  
11 that it occurred. As a matter of  
12 fairness, this means that no one can  
13 be charged with violating the City's  
14 newer Consumer Protection law if  
15 they weren't already on notice that  
16 their conduct was unlawful at the  
17 time they engaged in the unfair  
18 business practice.

19           The only difference is  
20 that now the City can help to  
21 enforce the law in context where the  
22 Commonwealth has failed to act. We  
23 are charged with working alongside  
24 the City Council and the Parker

1 Administration to promote a secure,  
2 equitable and vibrant city, and we  
3 believe that implementing this bill  
4 will progress our shared vision of  
5 economic opportunity for all  
6 Philadelphians.

7 The Law Department looks  
8 forward to continuing our work to  
9 protect Philadelphia from scams and  
10 fraud with the authority granted by  
11 the Consumer Protection law and we  
12 are grateful for your consideration  
13 of the proposed bill today. Thanks  
14 for your time. I'm happy to take  
15 any questions about the law or  
16 today's proposed bill.

17 COUNCILMAN SQUILLA: Thank  
18 you. Thank you for your testimony.

19 Also want to recognize the  
20 sponsor of the bill, Councilmember  
21 Landau who's here.

22 Councilmember Young, you  
23 have a question?

24 COUNCILMAN YOUNG: Yes, I



1 have a question for the witness.

2 Good afternoon. I guess

3 what's the City's strategy around

4 like a laches defense for bringing

5 something retroactively?

6 MS. FURST: Yeah, that's a

7 good question. Thank you,

8 Councilmember. I think we believe

9 that this retroactivity period is

10 very reasonable and would not expose

11 us to any problems with laches. I

12 mean, it only goes back six years

13 and it only applies to conduct that

14 was already unlawful under the

15 state's Consumer Protection law

16 which has been on the book since the

17 1960s.

18 And the fact is with

19 consumer protection violations, it

20 often can take many years for the

21 consumer to even realize that they

22 were deceived and to realize that

23 they were harmed by that deception.

24 So we really think this strikes the

1 right balance.

2 COUNCILMAN YOUNG: Thank  
3 you. And why six years versus seven  
4 or some other arbitrary number that  
5 are in legal doctrines?

6 MS. FURST: Great question  
7 again. Thanks, Councilmember. So  
8 part of the goal with the City  
9 Consumer Protection law is to really  
10 mirror what the state law does so  
11 that we're not creating something  
12 that is completely different but it  
13 rather complements and enhances the  
14 state law and the state law has a  
15 six-year statute of limitation so  
16 that felt like the appropriate  
17 number.

18 COUNCILMAN YOUNG: Thank  
19 you. Thank you, Mr. Chair.

20 COUNCILMAN SQUILLA: Thank  
21 you, Councilmember.

22 Any other questions for  
23 this witness?

24 (No response.)

1 COUNCILMAN SQUILLA: Thank  
2 you. Thank you for your testimony.

3 MS. FURST: Thank you.

4 COUNCILMAN SQUILLA:  
5 Mr. McMonagle, can we please have  
6 the next person to testify.

7 THE CLERK: Can we please  
8 have Michael Froehlich.

9 (Witness approached  
10 Witness table.)

11 COUNCILMAN SQUILLA: Hey,  
12 Mike. Just state your name for the  
13 record and then proceed with your  
14 testimony.

15 MR. FROEHLICH: Good  
16 afternoon. Thank you. My name is  
17 Michael Froehlich with Community  
18 Legal Services. I'm the Managing  
19 Attorney of the Homeownership and  
20 Consumer Rights Unit. And thank you  
21 so much for having me testify today.  
22 Thanks to the members of the  
23 Committee and to Councilmember  
24 Landau for being here today.

1 I'm pleased to testify in  
2 support of Bill No. 240662,  
3 Councilmember Landau's bill to  
4 update the Philadelphia's Consumer  
5 Protection ordinance. This bill, as  
6 Ms. Furst testified before me, will  
7 clarify the statute of limitations  
8 for the CPO to ensure that the  
9 City's Law Department has the  
10 authority to address unfair and  
11 deceptive consumer practices that  
12 have been committed over the last  
13 six years.

14 As the Committee knows,  
15 Community Legal Services is a  
16 nonprofit law office here in  
17 Philadelphia representing low-income  
18 Philadelphians on a variety of civil  
19 matters, including consumer rights  
20 issues. In May we were pleased to  
21 come to testify in support of  
22 Councilmember Landau's original bill  
23 to create the Consumer Protection  
24 ordinance.

1           And as I testified then,  
2 the CPO will allow the City of  
3 Philadelphia to really step into the  
4 gap and address the most important  
5 consumer issues facing Philadelphia  
6 by enacting a CPO that can be  
7 enforced by the Law Department. It  
8 will hold the bad guys accountable  
9 for their actions while leveling the  
10 playing field in the marketplace for  
11 the good guys.

12           As Ms. Furst further  
13 testified earlier, this ordinance  
14 will clarify that. Just like the  
15 state's unfair trade practices,  
16 consumer protection law has a  
17 six-year statute of limitation, so  
18 does the local CPO. So on behalf of  
19 our clients, Community Legal  
20 Services strongly supports this  
21 ordinance as an important  
22 clarification of our existing law.  
23 Thank you very much.

24           COUNCILMAN SQUILLA: Thank

1 you.

2 Any questions?

3 (No response.)

4 COUNCILMAN SQUILLA:

5 Seeing none, Mike, thank you so much

6 for your testimony.

7 Is there anybody else here

8 to testify on Bill No. 240662?

9 (No response.)

10 COUNCILMAN SQUILLA:

11 Seeing none, thank you, Michael.

12 Thank you for your testimony.

13 Seeing that there's no

14 further questions from members of

15 the Committee and no other witnesses

16 to testify, I'll ask if there's

17 anyone else present in the hearing

18 whose name we have not called that

19 wishes to offer testimony for the

20 bill being considered today?

21 (No response.)

22 COUNCILMAN SQUILLA:

23 Seeing none, I want to thank all the

24 panels and witnesses for their

1 participation today. We will now go

2 into our public meeting.

3 The Chair recognizes --

4 before we go into the public

5 meeting, we will take the roll.

6 Mr. McMonagle, please read the names

7 for the people present in today's

8 Committee.

9 THE CLERK: Councilman

10 Driscoll.

11 COUNCILMAN DRISCOLL:

12 Present.

13 THE CLERK: Councilwoman

14 Gauthier.

15 COUNCILWOMAN GAUTHIER:

16 Present.

17 THE CLERK: Councilwoman

18 Gilmore Richardson.

19 COUNCILWOMAN GILMORE

20 RICHARDSON: Present.

21 THE CLERK: Councilman

22 Jones.

23 COUNCILMAN JONES:

24 Present.

1 THE CLERK: Councilman

2 Squilla.

3 COUNCILMAN SQUILLA:

4 Present.

5 THE CLERK: Councilman

6 Young.

7 COUNCILMAN YOUNG:

8 Present.

9 COUNCILMAN SQUILLA: Thank

10 you. A quorum of the Committee is

11 present.

12 Chair recognizes

13 Councilmember Richardson for a

14 motion on Bill No. 240662.

15 COUNCILWOMAN GILMORE

16 RICHARDSON: Thank you,

17 Mr. Chairman.

18 I move that Bill No.

19 240662 be reported from this

20 Committee with a favorable

21 recommendation and further move that

22 the rules of Council be suspended as

23 to permit first reading of this bill

24 at our next session of Council.



1 (Duly seconded.)

2 COUNCILMAN SQUILLA: The  
3 bill has been moved and properly  
4 seconded. Bill No. 240662 will be  
5 reported from this Committee with a  
6 favorable recommendation and further  
7 move that the rules of Council be  
8 suspended to read this bill at the  
9 next session of Council.

10 All those in favor will  
11 signify by saying aye.

12 (Aye.)

13 COUNCILMAN SQUILLA: Those  
14 opposed?

15 (No response.)

16 COUNCILMAN SQUILLA: The  
17 ayes have it and the motion carries.

18 That will conclude the  
19 business before the Committee on  
20 Commerce and Economic Development.  
21 Thank you all very much for your  
22 attendance.

23 (Committee on Commerce and  
24 Economic Development concluded at

1 1:28 p.m.)

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1 CERTIFICATION

2 I, hereby certify that the proceedings  
3 and evidence noted are contained fully and  
4 accurately in the stenographic notes taken by  
5 me in the foregoing matter, and that this is a  
6 correct transcript of the same.  
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12 TANEHA CARROLL  
13 Court Reporter - Notary Public

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19 (The foregoing certification of this  
20 transcript does not apply to any reproduction  
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22 direct control and/or supervision of the  
23 certifying reporter.)

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| <b>1</b><br><b>1960s</b><br>9:17 | 6:5<br>12:10<br>13:4<br><b>Administ</b><br><b>ration</b><br>8:1<br><b>advantag</b><br><b>e</b><br>6:24<br><b>advocate</b><br>5:5<br><b>affected</b><br>6:12<br><b>affirmat</b><br><b>ive</b><br>4:19, 22<br><b>afternoo</b><br><b>n</b><br>4:10, 14<br>9:2<br>11:16<br><b>alongsid</b><br><b>e</b><br>7:23<br><b>applicat</b><br><b>ion</b><br>6:7<br><b>applies</b><br>9:13<br><b>approach</b><br><b>ed</b><br>4:7<br>11:9<br><b>arbitrar</b><br><b>y</b><br>10:4<br><b>attendan</b><br><b>ce</b> | 17:22<br><b>Attorney</b><br>11:19<br><b>authorit</b><br><b>y</b><br>5:8<br>8:10<br>12:10<br><b>aye</b><br>17:11,<br>12<br><b>ayes</b><br>17:17<br><b>B</b><br><b>back</b><br>5:4<br>9:12<br><b>bad</b><br>13:8<br><b>balance</b><br>10:1<br><b>behalf</b><br>13:18<br><b>bill</b><br>4:3<br>5:12<br>6:3, 11,<br>22 8:3,<br>13, 16,<br>20<br>12:2, 3,<br>5, 22<br>14:8, 20<br>16:14,<br>18, 23<br>17:3, 4,<br>8 | <b>book</b><br>9:16<br><b>bringing</b><br>9:4<br><b>business</b><br>5:9, 19<br>6:1<br>7:4, 18<br>17:19<br><b>C</b><br><b>call</b><br>4:2<br><b>called</b><br>14:18<br><b>carries</b><br>17:17<br><b>Chair</b><br>10:19<br>15:3<br>16:12<br><b>Chairman</b><br>4:14<br>16:17<br><b>charged</b><br>7:13, 23<br><b>Chief</b><br>4:18<br><b>city</b><br>4:18, 22<br>7:20, 24<br>8:2<br>10:8<br>13:2<br><b>City's</b><br>4:21<br>7:13<br>9:3<br>12:9 | <b>civil</b><br>4:24<br>12:18<br><b>clarific</b><br><b>ation</b><br>13:22<br><b>clarify</b><br>12:7<br>13:14<br><b>CLERK</b><br>4:5<br>11:7<br>15:9,<br>13, 17,<br>21<br>16:1, 5<br><b>clients</b><br>13:19<br><b>Commerce</b><br>4:16<br>17:20,<br>23<br><b>committe</b><br><b>d</b><br>12:12<br><b>committe</b><br><b>e</b><br>4:15<br>11:23<br>12:14<br>14:15<br>15:8<br>16:10,<br>20<br>17:5,<br>19, 23<br><b>Commonwe</b><br><b>alth</b><br>7:22 | <b>Communit</b><br><b>y</b><br>11:17<br>12:15<br>13:19<br><b>compleme</b><br><b>nts</b><br>10:13<br><b>complete</b><br><b>ly</b><br>10:12<br><b>conclude</b><br>17:18<br><b>conclude</b><br><b>d</b><br>17:24<br><b>conduct</b><br>7:8, 16<br>9:13<br><b>consider</b><br><b>ation</b><br>8:12<br><b>consider</b><br><b>ed</b><br>14:20<br><b>consumer</b><br>5:3, 6<br>6:8<br>7:10, 14<br>8:11<br>9:15,<br>19, 21<br>10:9<br>11:20<br>12:4,<br>11, 19,<br>23<br>13:5, 16 |
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| <b>consumer<br/>s</b>                                                                                                                                                                                                                                                                                                                                                                                         | 10:7, 21<br>11:23<br>12:3, 22<br>16:13                                                                                                                                                                                                                                                                                                                                                            | 4:21<br>5:7, 13<br>8:7<br>12:9<br>13:7                                                                                                                                                                                                                                                                                                                                              | <b>enforce</b><br>7:21<br><b>enforced</b><br>13:7<br><b>engaged</b><br>7:17<br><b>enhances</b><br>10:13<br><b>ensure</b><br>12:8<br><b>equitabl<br/>e</b><br>8:2<br><b>existing</b><br>13:22<br><b>experien<br/>ced</b><br>5:23<br><b>experien<br/>cing</b><br>6:15<br><b>exploita<br/>tion</b><br>7:5<br><b>expose</b><br>9:10                                                                                                                                       | 17:10<br><b>favorabl<br/>e</b><br>16:20<br>17:6<br><b>felt</b><br>10:16<br><b>field</b><br>13:10<br><b>financia<br/>l</b><br>6:15<br><b>forward</b><br>5:18<br>8:8<br><b>fraud</b><br>8:10<br><b>frauds</b><br>6:21<br><b>fraudule<br/>nt</b><br>5:9, 19<br><b>Froehlic<br/>h</b><br>11:8,<br>15, 17<br><b>Furst</b><br>4:6, 13,<br>14, 17<br>9:6<br>10:6<br>11:3<br>12:6<br>13:12                                         | <b>Gauthier</b><br>15:14,<br>15<br><b>Gilmore</b><br>15:18,<br>19<br>16:15<br><b>goal</b><br>10:8<br><b>good</b><br>4:9, 14<br>9:2, 7<br>11:15<br>13:11<br><b>granted</b><br>8:10<br><b>grants</b><br>5:7<br><b>grateful</b><br>8:12<br><b>Great</b><br>10:6<br><b>guess</b><br>9:2<br><b>guys</b><br>13:8, 11                                                                                                                              |
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|                                          |                                                                                                                                                  |                                              |                                          |                                                   |                                                     |
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# City of Philadelphia

## Public Hearing Notice

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The **Committee on Commerce & Economic Development** of the Council of the City of Philadelphia will hold a Public Hearing on **Tuesday, October 22, 2024, at 1:00 PM, in Room 400, City Hall**, to hear testimony on the following items:

**240662**            An Ordinance amending Chapter 9-6300 ("Consumer Protection Ordinance") of The Philadelphia Code to clarify the statute of limitations and provide for retroactivity, all under certain terms and conditions.

Immediately following the public hearing, a meeting of the Committee on Commerce & Economic Development, open to the public, will be held to consider the action to be taken on the above listed items.

Copies of the foregoing items are available in the Office of the Chief Clerk of the Council, Room 402, City Hall.

**Testimony of Lydia Furst, Chief Deputy City Solicitor**

**Before the Committee on Commerce and Economic Development**

**Hon. Mark Squilla, Chair**

**Bill No. 240662**

**Retroactivity Bill – Consumer Protection**

**October 22, 2024 at 1pm**

Good afternoon, Chairman Squilla and members of the Committee on Commerce and Economic Development. My name is Lydia Furst and I am the Chief Deputy City Solicitor of the Affirmative and Special Litigation Unit in the City's Law Department, which represents the City in affirmative public policy litigation and in civil actions.

Thank you for your continued support of this important Consumer Protection Law, and for welcoming me back before you to advocate for this update to the law.

As you know, the Consumer Protection Law grants the Law Department the authority to directly address deceptive and fraudulent business practices and to obtain tangible relief for those harmed.

This new bill would allow the Law Department to address violations of the law that occurred up to six years prior to the original date of its implementation, June 5, 2024, and provides for a six-year statute of limitations going forward.

Scams and fraudulent business practices can have a lasting impact on consumers. To mitigate the harm experienced by consumers who have been victimized by deceptive business practices, we must have the ability to hold perpetrators accountable to the law. This bill will strengthen our ability to do so.

I want to quickly address the significance of the six-year period for retroactive application as it relates to the Consumer Protection Law.

The period for retroactive action provided by this bill would include the years most affected by the COVID-19 pandemic, a time during which many individuals were experiencing heightened financial and personal stress, and navigating an unstable and unpredictable economy. During this time, consumers were more susceptible to, and often targeted with, fraud and scams.

This retroactivity bill will allow us to hold accountable those who took advantage of consumers during this vulnerable time. It also strengthens our ability to protect consumers from deceptive business practices and to remediate past exploitation. Importantly, the retroactive provision will

only reach actors whose conduct would also have violated the state consumer protection law at the time that it occurred. As a matter of fairness, this means that no one can be charged with violating the City's newer Consumer Protection Law if they weren't already on notice that their conduct was unlawful at the time they engaged in the unfair business practice. The only difference is that now the City can help to enforce the law in contexts where the Commonwealth has failed to act.

We are charged with working alongside the City Council and the Parker Administration to promote a secure, equitable, and vibrant City, and we believe that implementing this bill will progress our shared vision of economic opportunity for all Philadelphians.

The Law Department looks forward to continuing our work to protect Philadelphia from scams and fraud with the authority granted by the Consumer Protection Law, and we are grateful for your consideration of the proposed bill today.

Thank you for your time. I am happy to take any questions about the law or the proposed bill.



**Testimony of Michael R. Froehlich, Managing Attorney,  
Homeownership and Consumer Rights Unit, Community Legal Services to  
City Council's Committee on Commerce & Economic Development on Bill No. 240662 to  
Amend Philadelphia's Consumer Protection Ordinance**

**October 22, 2024**

Good afternoon, members of the Committee. My name is Michael Froehlich. I am the Managing Attorney of the Homeownership and Consumer Rights Unit at Community Legal Services. I am pleased to testify in support of Bill No. 240662, Councilmember Landau's bill to amend Philadelphia's Consumer Protection Ordinance. This bill will clarify the statute of limitations in the CPO to ensure that the City Law Department has the authority to address unfair and deceptive consumer practices that have been committed over the last six years.

As the Committee knows, Community Legal Services is a non-profit legal aid office that provides free legal representation to low-income Philadelphians. We represent clients with a variety of civil legal matters, including consumer rights issues. Community Legal Services' client Timothy Calhoun and I were pleased to testify before this Committee in May in support of the creation of the CPO. As I testified then, the CPO will allow the City of Philadelphia to step into the gap and address the most important consumer issues facing Philadelphia by enacting a Consumer Protection Ordinance that can be enforced by the City Law Department. It will hold the bad guys accountable for their actions while leveling the playing field in the market for the good guys.

This amendment will clarify that, just like the state Unfair Trade Practices and Consumer Protection Law, the authority provided by the CPO to the City Law Department may be used to address consumer protection violations for the past six years. On behalf of our clients, Community Legal Services supports this amendment as an important clarification of our existing Consumer Protection Ordinance.

Again, thank you for the opportunity to testify at today's hearing.

Michael R. Froehlich, Managing Attorney  
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