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In NCLA Amicus Win, NY State Supreme Court, Appellate Div., Scraps Illegal Fine Against Trump

People of the State of New York, by Attorney General Letitia James v. Donald J. Trump, et al.

Washington, DC (August 21, 2025) – Today, the Appellate Division of the Supreme Court of the State of New York [vacated](#) an over \$500 million fine imposed on President Trump in *New York v. Trump*, New York Attorney General Letitia James’s case alleging fraud under New York Executive Law § 63.12. The New Civil Liberties Alliance and its founder Professor Philip Hamburger filed an *amicus curiae* [brief](#) in the case asking NY’s intermediate appellate court to hold § 63.12 illegal and set aside the unlawful fine. This law wrongfully allows courts to punish defendants simply for making incorrect business statements, whether any inaccuracy was intentional and whether or not anyone was harmed as a result. Though the Appellate Division did not rule against § 63.12 itself, Associate Justice Peter H. Moulton wrote that President Trump was fined by trial court judge Arthur Engoron excessively in violation of the Eighth Amendment (and as an unlawful disgorgement). Overturning the unlawful fine vindicates NCLA and Prof. Hamburger, who look forward to the Executive Law’s ultimate demise.

NCLA is a nonpartisan, nonprofit organization that had § 63.12 in our sights long before the current controversy emerged, as it has been abused before. NY’s Executive Law targets untruths, even immaterial untruths, that are made without bad intent, recklessness, or negligence and do not cause concrete harm to an identifiable third party.

Much more is at stake here than Trump’s allegedly inflated real estate valuations. Because § 63.12 allows prosecution for all business untruths, including unintentionally false statements, it discourages innocent people from taking the risk of speaking and thus chills truthful speech. People must be willing to experiment in speech—to try out conclusions that may turn out to be incorrect—making § 63.12’s threat to innocent words later shown to be untrue profoundly dangerous. For this reason, the First Amendment has long protected false speech.

When President Trump’s lawyers raised elements of this First Amendment argument to the trial court, pointing out that § 63.12 permits punishments for false statements absent fraudulent intent or alleged damages, the court declared the argument “frivolous” and imposed thousands of dollars in sanctions. The Appellate Division rightly vacated those penalties today as well. Punishing Trump’s attorneys for presenting what is not only a meritorious argument—but could and should have been a winning one—compounded the constitutional problems with this case, violating the Fourteenth Amendment by denying the Defendants due process of law.

NCLA released the following statements:

“NCLA continues to believe that the entire case lacked merit and that Attorney General Letitia James abused an overbroad and constitutionally problematic statute. We are gratified that the Appellate Division correctly concluded that the \$500 million penalty assessed against President Trump was just that—a penalty, which is subject to the strictures of the Eighth Amendment. We are also pleased the Appellate Division vacated unjustifiable sanctions that the trial court imposed on President Trump’s attorneys for doing their job.”

— **Greg Dolin, Senior Litigation Counsel, NCLA**

“The \$500 million penalty in this case was a miscarriage of justice, which at least today’s decretal reversed. NY Attorney General Letitia James was recently named runner-up for NCLA’s King George III Prize, which we award to the bureaucrat who was the worst civil liberties abuser each year. This case shows why Attorney General James almost won. The testimony in this case demonstrated the banks did not think they were defrauded, so this case never should have been brought. NY’s Executive Law is far too prone to abuse and should be struck down.”
— **Mark Chenoweth, President, NCLA**

For more information visit the *amicus* page [here](#).

ABOUT NCLA

[NCLA](#) is a nonpartisan, nonprofit civil rights group founded by prominent legal scholar [Philip Hamburger](#) to protect constitutional freedoms from violations by the Administrative State. NCLA’s public-interest litigation and other pro bono advocacy strive to tame the unlawful power of state and federal agencies and to foster a new civil liberties movement that will help restore Americans’ fundamental rights.

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