

Regulatory Oversight Newsletter — August 2025

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Regulatory Oversight Blog

Make sure to visit Troutman Pepper Locke's [Regulatory Oversight](#) blog to receive the most up-to-date information on regulatory actions and [subscribe](#) to our mailing list to receive a monthly digest.

Regulatory Oversight will provide in-depth analysis into regulatory actions by various state and federal authorities, including state attorneys general and other state administrative agencies, the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC). Contributors to the blog will include attorneys with multiple specialties, including regulatory enforcement, litigation, and compliance.

Troutman Pepper Locke Spotlight

NAVIGATING MULTISTATE AG INVESTIGATIONS: TOOLS AND TACTICS

By [Troutman Pepper Locke State Attorneys General Team](#)

[Register Here](#)

Wednesday, August 20 • 1:00 – 3:10 p.m. ET

Members of Troutman Pepper Locke's State Attorneys General (AG) team, Ashley Taylor, Clayton Friedman, and Namrata Kang, will participate in an upcoming CLE with myLawCLE for an in-depth exploration of AG investigations. This presentation will focus on multistate actions, recent trends, and emerging regulatory challenges. With decades of experience in both single and multistate AG investigations, the panelists will provide essential tools to help you effectively manage these complex processes.

[Read more](#)

JUSTICES' AGE VERIFICATION RULING MAY LEAD TO MORE STATE LAWS

By [Laura Hamady](#), [Jeff Johnson](#), [Chris Carlson](#), and [Jessica Birdsong](#)

The digital age presents a complex challenge: protecting children online while also allowing free speech to

continue to be a thriving marketplace of ideas.

Recent legal battles highlight this tension, particularly the [U.S. Supreme Court](#)'s June 27 decision in *Free Speech Coalition Inc. v. Paxton*, which [permits](#) more content-neutral regulation over internet activities by states.

[Read more](#)

2025 MID-YEAR REVIEW: STATE AGS IN A NEW ERA

By [Troutman Pepper Locke State Attorneys General Team](#)

The United States is navigating a new era of regulatory oversight and the balance of power between federal and state regulators following the 2024 election cycle. As federal agencies retreat from and/or realign their regulatory enforcement priorities, state attorneys general (AGs) are increasingly taking the lead in policing companies — especially those that are consumer-facing — bridging perceived gaps left by shifting federal priorities, and in some cases, emboldened to expand regulatory enforcement into relatively new arenas.

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[Regulatory Oversight Podcast Updates](#)

UNDERSTANDING BBB RATINGS: BUILDING TRUST AND MITIGATING RISKS

By [Stephen C. Piepgrass](#), [Michael Yaghi](#), and [Daniel Waltz](#)

In this episode of *Regulatory Oversight*, we kick off a two-part series on the Better Business Bureau (BBB). Stephen Piepgrass, Michael Yaghi, and Dan Waltz explore the significance of the BBB for businesses, particularly in relation to regulatory scrutiny and consumer trust. The conversation begins with an overview of the BBB as a quasi-governmental agency, emphasizing its role in consumer complaints and how these are perceived by regulators, including state attorneys general.

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SOLICITOR GENERAL INSIGHTS: THE TALE OF TWO WASHINGTONS

By [Stephen C. Piepgrass](#) and [Jeff Johnson](#)

In this episode of our special *Regulatory Oversight: Solicitors General Insights* series, Jeff Johnson is joined by District of Columbia Solicitor General Caroline Van Zile and Washington Solicitor General Noah Purcell to discuss their respective offices, and the distinct challenges and focuses of each. Noah shares insights into the Washington Solicitor General's Office, and Caroline discusses the multifaceted nature of the District of Columbia Solicitor General's Office, as they balance a diverse array of appellate work and providing legal advice on novel issues.

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[Privacy Updates](#)

HEALTHLINE PROPOSED SETTLEMENT INFORMS BUSINESSES OF WHAT NOT TO DO

By [Troutman Pepper Locke State Attorneys General Team](#), [David Navetta](#), [Bianca Nalaschi](#), and [Daniel Waltz](#)

On July 1, [California Attorney General \(AG\) Rob Bonta](#) announced a significant [proposed settlement](#) with Healthline Media LLC (Healthline) — a prominent website publisher of health information and wellness articles. The proposed settlement follows allegations that Healthline’s use of online tracking technology violated the California Consumer Privacy Act (CCPA). This is the third action under the CCPA announced by Bonta this year.

[Read more](#)

Marketing and Advertising Updates

RIISING JUNK FEE ENFORCEMENT MEANS BUSINESSES SHOULD BE PROACTIVE

By [Clayton Friedman](#), [Namrata Kang](#), and [Kyara Rivera Rivera](#)

Troutman Pepper Locke attorneys examine the recent wave of laws and regulations targeting junk fees at both the state and federal level.

Given rising federal and state enforcement on “junk fees,” businesses should confirm their advertising reflects total prices and review consumer feedback to ensure compliance.

[Read more](#)

WASHINGTON AG SECURES \$8.2M AGAINST COMPANY FOR SENDING KNOCK-OFF OFFICIAL GOVERNMENT CORRESPONDENCE

By [Troutman Pepper Locke State Attorneys General Team](#) and [Sydney Goldberg](#)

Labor Law Poster Service, formerly Mandatory Poster Agency, was [recently ordered](#) to pay more than \$8.2 million in penalties and restitution following a lawsuit brought by the Washington state attorney general’s (AG) office. The lawsuit is the third enforcement action taken against this Michigan company in connection with its efforts to mail solicitations to Washington small businesses that look like or mimic official government communications.

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Consumer Financial Services Updates

CALIFORNIA’S DFPI BRINGS FIRST ENFORCEMENT ACTION UNDER CALIFORNIA’S DIGITAL FINANCIAL ASSETS LAW

By [Stefanie Jackman](#), [Stephen Piepgrass](#), [Chris Willis](#), and [Trey Smith](#)

On June 25, the California Department of Financial Protection and Innovation (DFPI) entered a consent order with Coinme, Inc., a cryptocurrency “ATM” operator, for noncompliance with the California’s Consumer Financial Protection Law (CCFPL) and Digital Financial Assets Law (DFAL). The consent order marks a significant

milestone in California's regulatory efforts because it represents the conclusion of the agency's first enforcement action under the DFAL.

[Read more](#)

NYC COMPTROLLER REQUESTED STRONGER PROTECTIONS FOR NEW YORKERS AMIDST ATTENUATED CFPB AUTHORITY

By [Troutman Pepper Locke State Attorneys General Team](#), [Stefanie Jackman](#), [Chris Willis](#), and [Kyara Rivera Rivera](#)

New York City Comptroller Brad Lander released a report titled "[Standing Up for New York Consumers – How New York State and New York City can Strengthen Consumer Financial Protection in the Trump Era](#)," which called for the strengthening of local consumer financial protections in response to the Trump administration's recent actions to reduce the regulatory footprint of the Consumer Financial Protection Bureau (CFPB or Bureau).

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Federal Enforcement News

SUPREME COURT LIMITS UNIVERSAL INJUNCTIONS: IMPLICATIONS FOR FEDERAL COURTS

By [Troutman Pepper Locke State Attorneys General Team](#), [Jeff Johnson](#), and Blake Christopher

At the end of a blockbuster term, the Supreme Court sharply limited the power of federal courts to issue so-called universal injunctions against government actors. The decision in *Trump v. CASA* (and related cases) did not foreclose federal courts' power to enjoin federal policies that are likely unconstitutional but curtailed the reach of those injunctions to the parties (or potentially the plaintiff class) in a suit. The result will require affected parties to litigate rather than wait on potential widespread relief from courts in distant corners of the U.S.

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Gaming Updates

THE RIGHT TO REGULATE: KALSHI, FEDERAL PREEMPTION, AND THE FIGHT FOR STATE GAMING AUTHORITY

By [Troutman Pepper Locke State Attorneys General Team](#) and [Cole White](#)

A lawsuit between KalshiEx LLC (Kalshi) and New Jersey state gaming regulators in the Third Circuit is testing the balance between federal commodities regulation and state authority regarding sports betting.

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New AG On The Block

NEWLY APPOINTED WYOMING AG, KEITH KAUTZ

By [Troutman Pepper Locke State Attorneys General Team](#)

Keith Kautz will serve as the new attorney general (AG) of the state of Wyoming following his appointment by Governor Mark Gordon last week, effective July 7, 2025. Kautz has a long history of civil service in the state, having served as a district court judge for the Eighth Judicial District — covering Converse, Goshen, Niobrara, and Platte counties — for 22 years. His hometown of Torrington falls within this district. In 2015, Governor Matt Mead appointed Kautz as a justice to the Wyoming Supreme Court, where he served until his retirement in March 2024.

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[Additional Single State Updates](#)

NEW YORK AG INTENSIFIES INVESTIGATION AND ENFORCEMENT AGAINST ALLEGED MEDICAID FRAUD

By [Troutman Pepper Locke State Attorneys General Team](#) and [Philip Nickerson](#)

On June 30, 2025, New York Attorney General (AG) Letitia James [announced](#) new lawsuits, criminal charges, and settlements with 25 New York transportation companies related to alleged schemes to defraud Medicaid of millions.

[Read more](#)

NEVADA'S PRICE-FIXING BILL VETO SPARKS DEBATE

By [Troutman Pepper Locke State Attorneys General Team](#) and [Michael Lafleur](#)

In a recent political development in Nevada, Governor Joe Lombardo vetoed [Assembly Bill 44](#), a legislative effort aimed at curbing alleged price-fixing practices on essential goods and services championed by Nevada Attorney General (AG) Aaron D. Ford.

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CALIFORNIA AG FACES LEGAL CHALLENGE OVER HIRING OUTSIDE COUNSEL IN CLIMATE LAWSUIT

By [Troutman Pepper Locke State Attorneys General Team](#), [Jessica Birdsong](#), and [Troy Homesley](#)

California Attorney General (AG) Rob Bonta faces a legal challenge from a union representing state-employed attorneys over his decision to hire an outside law firm for a high-profile climate lawsuit against major oil companies. The California Attorneys, Administrative Law Judges, and Hearing Officers in State Employment (CASE) argue that this decision violates Article VII of the California Constitution, which implicitly mandates that state work traditionally performed by civil service employees should not be outsourced to private entities.

[Read more](#)

[Tobacco and Nicotine Updates](#)

ARE STATE ENDS DIRECTORIES PREEMPTED? FEDERAL COURTS ARE SPLIT

By [Bryan Haynes](#), [Agustin Rodriguez](#), and [Michael Jordan](#)

Over the past two years, at least [14 states](#) have enacted laws requiring manufacturers of electronic nicotine delivery systems (ENDS) to certify the status of their federal premarket tobacco product applications (PMTAs) in order to be sold in the state. This year, several of these laws have been challenged, and a clear split is beginning to emerge among state courts regarding whether the state laws are enforceable.

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INDIAN TRIBE FIGHTS WITH ATF OVER APPLICABILITY OF PACT ACT TO ITS CIGARETTE SALES

By [Bryan Haynes](#), [Agustin Rodriguez](#), and [Nick Ramos](#)

In 2023, the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) placed Twenty-Nine Palms Band of Mission Indians (Twenty-Nine Palms), a federally recognized Indian tribe that sells cigarettes on sovereign reservations in California, on the Prevent All Cigarette Trafficking Act's (PACT Act's) noncompliant list (NCL). The PACT Act generally prohibits common carriers from shipping products to or from companies on the NCL. After ATF placed Twenty-Nine Palms on the NCL, the tribe sued ATF and its parent agency, the Department of Justice (DOJ), in federal court. This case is worth following because it involves key issues related to ATF's authority to enforce the PACT Act against federally recognized Indian tribes and ATF's interpretation of key sections of the PACT Act.

[Read more](#)

SAM'S CLUB EYEING APPEAL OF HEFTY LOCAL TOBACCO TAX ASSESSMENT

By [Bryan Haynes](#), [Agustin Rodriguez](#), and [Zie Alere](#)

In June, the Appellate Court of Illinois [upheld](#) an assessment of over \$314 million against Sam's Club for unpaid county cigarette excise taxes, including a 10% late fee, a 25% penalty, and accrued interest. The assessment arose from Sam's Club's alleged failure to pay taxes on cigarettes that it sold to out-of-county retailers from 2009 to 2016. Following the June ruling, the company now appears poised to bring its arguments to the state's highest court in a case illustrating the ambiguities of state and local excise taxation laws.

[Read more](#)

SUPREME COURT SAYS AFFECTED RETAILERS MAY CHALLENGE ENDS MANUFACTURER'S MARKETING DENIAL ORDERS

By [Bryan Haynes](#), [Agustin Rodriguez](#), [Sydney Goldberg](#), and [Michael Jordan](#)

On June 20, the [Supreme Court concluded](#) that marketing denial orders (MDOs) issued by the Food and Drug Administration (FDA) can be challenged not only by the applicants (typically, the manufacturer or importer of the products), but also by retailers who would sell such products. As a result, more challenges to MDOs are likely to

be brought before the U.S. Court of Appeals for the Fifth Circuit, where litigants have generally had greater success to date in challenging MDOs relative to other appellate courts.

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Cannabis Regulatory Updates

CONGRESSIONAL BRIEFING HIGHLIGHTS GROWING BIPARTISAN CONSENSUS ON THE NEED FOR FEDERAL CLARITY IN HEMP-DERIVED CANNABINOID REGULATION

By Jean Smith-Gonnell, [Agustin Rodriguez](#), and [Cole White](#)

On July 17, the U.S. House Committee on Agriculture hosted a closed-door roundtable briefing focused on the regulatory gray areas surrounding hemp-derived cannabinoid products. The session, convened in response to ongoing concerns over consumer safety, regulatory ambiguity, and market disruption, featured expert insights from four panelists: Jonathan Miller, general counsel for the U.S. Hemp Roundtable; Pamela Epstein, chief legal and regulatory officer at Terpene Belt Farms; Cole White, attorney at Troutman Pepper Locke, in his capacity as special counsel for the Attorney General Alliance; and Dr. Gillian Schauer, executive director of the Cannabis Regulators Association. The discussion reflected mounting congressional interest in addressing the unintended consequences of the Agriculture Improvement Act of 2018's (2018 Farm Bill) legalization of hemp and its derivatives.

[Read more](#)

CLOSING THE LOOPHOLE: UPDATES ON FEDERAL AND STATE ATTEMPTS TO REGULATE INTOXICATING HEMP-DERIVED PRODUCTS

By Jean Smith-Gonnell and [Cole White](#)

Intoxicating hemp-derived products have proliferated across the U.S. under the guise of the 2018 Farm Bill's definition of "hemp." Although these products produce psychoactive effects akin to state-regulated cannabis products, they are often manufactured and sold with little oversight or regulatory controls.

[Read more](#)

Stephanie Kozol, Senior Government Relations Manager – State Attorneys General, also contributed to this newsletter.

Our Cannabis Practice provides advice on issues related to applicable federal and state law. Marijuana remains an illegal controlled substance under federal law.

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