

Regulatory Oversight Newsletter — January 2025

WRITTEN BY

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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

TROUTMAN PEPPER LOCKE OFFICIALLY LAUNCHES

Law Firm Grows to More Than 1,600 Attorneys Across 33 Offices, Enhancing Capabilities and Expanding Reach for Clients

Troutman Pepper and Locke Lord have merged to form Troutman Pepper Locke LLP, a law firm with more than 1,600 attorneys across 33 offices in the United States and Europe.

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Podcast Updates

THE 12 DAYS OF REGULATORY INSIGHTS

We are excited to share the complete special holiday series, “*The 12 Days of Regulatory Insights*,” as part of our *Regulatory Oversight* podcast. This 12-part series covers a variety of critical regulatory topics, offering concise and insightful discussions from members of our Regulatory Investigations, Strategy + Enforcement practice group and State Attorneys General team. The series also includes guest commentary from several esteemed colleagues across various areas of the firm.

The complete *12 Days of Regulatory Insights* series:

- [12 Days of Regulatory Insights: Day 1 – The Impact of the 2024 State AG Elections](#)
- [12 Days of Regulatory Insights: Day 2 – AI Under Scrutiny](#)
- [12 Days of Regulatory Insights: Day 3 – State AG Oversight in the Health Care Industry](#)
- [12 Days of Regulatory Insights: Day 4 – A Focus on the FCA](#)
- [12 Days of Regulatory Insights: Day 5 – Cannabis Chronicles](#)
- [12 Days of Regulatory Insights: Day 6 – Regulatory Shifts in Consumer Financial Services](#)
- [12 Days of Regulatory Insights: Day 7 – New Rules in Advertising](#)
- [12 Days of Regulatory Insights: Day 8 – Inside the Texas AG's Office](#)
- [12 Days of Regulatory Insights: Day 9 – Trends in the Tobacco Industry](#)
- [12 Days of Regulatory Insights: Day 10 – Understanding Local Government Dynamics](#)
- [12 Days of Regulatory Insights: Day 11 – State AGs on the Antitrust Frontline](#)
- [12 Days of Regulatory Insights: Day 12 – Redefining Online Gaming](#)

WHAT FINANCIAL SERVICES COMPANIES NEED TO KNOW IN A SECOND TRUMP ADMINISTRATION

By [Stephen C. Piepgrass](#), [James Stevens](#), [Chris Willis](#), [Mark Furletti](#), and [Jesse Silverman](#)

In this episode of *The Consumer Finance Podcast*, host Chris Willis, co-leader of Troutman Pepper's Consumer Financial Services Regulatory practice, is joined by colleagues Mark Furletti, Stephen Piepgrass, Jesse Silverman, and James Stevens. Together, they delve into the anticipated regulatory landscape and legal needs for financial services companies under the upcoming Trump administration. The discussion covers the potential resurgence of new financial products, the impact on M&A activity, the role of state attorneys general, and the future of bank-fintech partnerships. Tune in to gain insights on how to strategically navigate the evolving regulatory environment and leverage opportunities in the financial sector.

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NAAG Updates

LEADERSHIP CHANGES AT NAAG

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

The National Association of Attorneys General (NAAG) recently held its annual Capital Forum in Washington, D.C., where noteworthy leadership changes were announced. This year's forum marked the transition of leadership within the organization, reflecting its ongoing commitment to addressing important issues through bipartisan collaboration.

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FTC Updates

BIPARTISAN FTC RULE BANS JUNK FEES FOR LIVE-EVENT TICKETS AND SHORT-TERM LODGING

By [Clayton Friedman](#), [Namrata Kang](#), and [Natalia Jacobo](#)

[Warnings](#) of an impending regulatory focus on hidden and junk fees materialized following President Joe Biden's call to Congress during his 2023 State of the Union address to eliminate them. On December 17, the Federal Trade Commission (FTC) announced its final rule, [Trade Regulation rule on Unfair or Deceptive Fees](#) (Junk Fees Rule), which bans junk fees associated with live-event ticket and short-term lodging (hotels and vacation rentals). By focusing exclusively on the live-event ticket and short-term lodging sectors, the rule is notably narrower in scope than the originally proposed rule from October 2023, which targeted junk and hidden fees across *all* industries nationwide.

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Cyber Updates

THE SUPREME COURT OF VIRGINIA PROVIDES NEEDED CYBERCRIME GUIDANCE

By [Gene Fishel](#) and [Stephen Sovinsky](#)

On November 21, the Supreme Court of Virginia entered a [published order](#) reversing a 14-3 *en banc* decision of the Court of Appeals of Virginia addressing the applicability of Virginia's criminal laws regulating cybercrime. The decision in *Commonwealth v. Wallace* is the latest example of courts testing regulatory reach in the cybercrime arena.

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MOVIE THEATER DATA BREACH LEADS TO SETTLEMENT AND CLASS ACTION LAWSUITS

By [Troutman Pepper Locke State Attorneys General Team](#), [Nick Gouverneur](#), and [Karla Ballesteros](#)

New York Attorney General (AG) Letitia James and global movie theater operator National Amusements, Inc. (National) settled a lawsuit stemming from a 2022 data breach reported by National, which affected 82,128 National employees. As part of its settlement, National agreed to pay \$250,000 in penalties to the state and to "improve existing cybersecurity infrastructure to prevent future data breaches."

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Antitrust Updates

TWO COURTS BLOCK KROGER-ALBERTSONS MERGER

By [Barbara Sicalides](#) and [Julian Weiss](#)

Within hours of each other, an Oregon federal district court followed by a Washington state court enjoined the \$24.6 billion merger of the Kroger and Albertsons grocery chains. The Oregon court adopted the controversial 2023 Merger Guidelines' market concentration presumption and largely accepted the Federal Trade Commission's (FTC) and its expert's arguments for a narrow grocery market. In a loss for the FTC, the Oregon

court declined to find that the proposed transaction was likely to substantially harm competition in the labor market alleged.

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Other State AG Updates

EIGHTEEN STATE AGS AND DEFI EDUCATION FUND SUE SEC FOR APPROACH TO DIGITAL ASSET REGULATION

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

On November 14, a coalition of 18 states, led by Utah Attorney General (AG) Sean Reyes, the outgoing chairman of the Republican AGs Association, filed a lawsuit against the U.S. Securities and Exchange Commission (SEC) and its chair, Gary Gensler. DeFi Education Fund, a 501(c)(3) nonprofit organization, also joined the states in this legal action. The lawsuit, filed in the U.S. District Court for the Eastern District of Kentucky, challenges the SEC's regulatory approach toward digital assets, asserting that the agency has overstepped its authority and infringed upon state sovereignty.

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AGS TAKE ACTION REGARDING CLAIMS OF MEDICAID FRAUD

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

This month, two attorneys general (AGs) have settled False Claims Act investigations with two separate companies in the health care industry. Both settlements were notable in their own right.

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CONNECTICUT AG REACHES \$2M SETTLEMENT WITH PIKE FUELS OVER ENVIRONMENTAL PROTECTION CLAIMS

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

Connecticut Attorney General (AG) William Tong [announced](#) a \$2 million settlement with Pike Fuels to resolve allegations that the company violated Connecticut environmental protection laws by, among other things, falsifying monthly leak inspection records for a New Haven petroleum distribution facility.[Read More](#)

Tobacco Updates

OPPORTUNITIES FOR THE TRUMP ADMINISTRATION TO STEP UP ENFORCEMENT AGAINST UNAUTHORIZED ENDS

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

Throughout 2024, the U.S. Food and Drug Administration (FDA) endeavored to curb sales of unauthorized

electronic nicotine delivery systems (ENDS) in the U.S. In light of persistent demand for flavored ENDS — nearly all of which are unauthorized — there is little evidence that these enforcement efforts have reduced illicit sales. Indeed, some observers estimate that flavored ENDS account for more than 80% of all ENDS sales. With a new administration on the horizon, our team highlights two opportunities for FDA to step up its enforcement efforts: (1) focusing enforcement on imports and (2) authorizing premarket tobacco product applications (PMTAs) for flavored products.

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Cannabis Updates

GETTING INTO THE WEEDS ON MARIJUANA EXCISE TAXES: TRENDS AND OUTLIERS IN THE LARGEST MARKETS

By [Jean Smith-Gonnell](#) and [Zie Alere](#)

State and federal excise taxes are a critical element of the business environment for major “vice” industries in the United States, such as tobacco. While no federal excise tax applies to marijuana, state excise taxes (SET) are a significant economic consideration for the recreational marijuana industry in a given state.

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POTENTIAL STATE-CENTRIC MARIJUANA POLICY IN THE 119TH CONGRESS

By [Jean Smith-Gonnell](#) and [Zie Alere](#)

With power changing hands in Washington, D.C., what can marijuana industry members expect from the 119th Congress? Two GOP proposals from the 118th Congress may foreshadow the likely path for federal marijuana legalization. These bills — the “[States Reform Act of 2023](#)” and the “[Strengthening the Tenth Amendment Through Entrusting States \(STATES\) 2.0 Act](#)” — would explicitly support states’ legal marijuana regimes, while leaving states with the ultimate decision of whether to establish such regimes.

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COLORADO HEMP COMPANY SETTLES WITH AG OVER ALLEGED VIOLATIONS OF CONSUMER PROTECTION LAW

By [Nick Ramos](#), [Troutman Pepper Locke State Attorneys General Team](#), and [Jean Smith-Gonnell](#)

The Colorado Attorney General’s (AG) Office recently entered into a [settlement agreement](#) with Bee’s Knees Enterprises, LLC, dba Bee’s Knees CBDs, addressing allegations of violations of the Colorado Consumer Protection Act (CCPA). The CCPA generally prohibits deceptive trade practices, including false representations or advertising, and allows for public or private enforcement and civil penalties. The settlement agreement resolves claims against Bee’s Knees without admitting liability.

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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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