

Articles + Publications | September 3, 2025

Regulatory Oversight Newsletter – September 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](#)

TROUTMAN PEPPER LOCKE'S SPENCER CHURCHILL JOINS DOJ'S OFFICE OF LEGAL COUNSEL

By [Stephen C. Piegrass](#)

Spencer Churchill, an associate based in Troutman Pepper Locke's Washington, D.C. office, has been appointed to serve as a deputy assistant attorney general in the Department of Justice's (DOJ) Office of Legal Counsel (OLC). In his new position, he will advise on some of the most important and complex legal questions surrounding executive power and agency action. The OLC counsels the president and executive branch agencies on the parameters of their constitutional and statutory authority, reviews all executive orders, drafts legal opinions of the attorney general, and comments on the constitutionality of pending legislation.

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EFFECTIVE STRATEGIES FOR MANAGING CYBERSECURITY BREACHES: HOW TO NAVIGATE STATE AG INVESTIGATIONS AND FEDERAL AGENCY ACTIONS

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

[Register Here](#)

Thursday, September 25 • 1:00 – 3:10 p.m. ET

Stephen Piepgrass and Sadia Mirza, co-leaders of Troutman Pepper Locke's [Incidents + Investigations](#) practice, along with [Privacy + Cyber](#) Partner Timothy St. George, will participate in an upcoming CLE with myLawCLE to examine the nuances of navigating cybersecurity breaches.

[Read more](#)

GROWING TREND: STATE AGS MAKING INVESTIGATIONS PUBLIC

By [Chris Carlson](#), and [Kyara Rivera Rivera](#)

Chris Carlson, Blake Christopher, and Kyara Rivera Rivera of Troutman Pepper Locke discuss a recent trend of State AGs publicizing when they initiate an investigation and the considerations for companies on the receiving end.

[Read more](#)

STATE ATTORNEYS GENERAL STEP UP ENFORCEMENT WITH REGULATORY SHIFT OF TRUMP ADMINISTRATION

By [Ashley L. Taylor, Jr.](#), [Clayton Friedman](#), [Michael Yaghi](#), [Natalia Jacobo](#), and [Warren F. "Jay" Myers](#)

Ashley Taylor, Clayton Friedman, Michael Yaghi, Natalia Jacobo, and Jay Myers of Troutman Pepper Locke discuss stepped up enforcement efforts among state attorneys general in the face of the Trump administration's broad deregulatory agenda and as federal agencies appear to shift litigation priorities.

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[Regulatory Oversight Podcast Updates](#)

UNDERSTANDING BBB RATINGS: STRATEGIC APPROACHES TO CONSUMER COMPLAINTS

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

In this episode of *Regulatory Oversight*, Stephen Piepgrass, Michael Yaghi, and Dan Waltz conclude their two-part series on the Better Business Bureau (BBB). The group discusses strategies for managing and improving BBB ratings for businesses, while examining how consumer complaints impact potential regulatory actions. They emphasize the importance of addressing these consumer complaints promptly, highlighting the need for effective training and streamlining complaint handling processes within companies to prevent issues from being overlooked.

[Read more](#)

[Federal Enforcement News](#)

ALLIED STONE INC. TO PAY \$12.4M TO DOJ TO RESOLVE FCA CLAIMS

By [Ayana Brown](#) and [Daniel Waltz](#)

On August 19, the U.S. Department of Justice (DOJ) announced that Allied Stone Inc. (Allied Stone) and its president, Jia “Jerry” Lim, agreed to pay \$12.4 million in settlement to resolve allegations that the company violated the False Claims Act (FCA) by evading, or conspiring to evade, antidumping and countervailing duties owed on quartz surface products imported from China. Allied Stone is a Dallas-based countertop and cabinetry supplier. According to the DOJ, Allied Stone misrepresented Chinese quartz surface products as other merchandise subject to lesser duties to avoid the applicable antidumping and countervailing duties. The company also allegedly failed to declare and pay, and failed to ensure that others were declaring and paying, applicable duties owed to the U.S. on entries of its Chinese quartz surface products.

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ANALOGIES TO FEDERAL LAW IN THE STATE REGULATORY CONTEXT

By [Robert Angle](#), [Dabney J. Carr](#), [Spencer Churchill](#) and [Ryan J. Strasser](#)

As the federal government pursues a deregulatory agenda, state regulators are increasing their enforcement activities to fill perceived gaps in oversight. They pursue their own regulatory agendas under state regulatory regimes that are often less developed than similar federal laws. This lack of existing state-level precedent opens the door for states to employ novel and aggressive legal theories that increase risk and uncertainty for private actors. Businesses should respond by evaluating opportunities to leverage the more comprehensive body of federal law as persuasive authority for previously unresolved questions of state law.

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WHITE HOUSE SEEKS AI PROGRESS THROUGH *DE MINIMIS* REGULATION AND ALLOCATION OF FEDERAL RESOURCES

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

On July 23, President Trump announced efforts to position the U.S. at the forefront of the global artificial intelligence (AI) race. “Winning the AI Race: America’s AI Action Plan” details how the federal government will advance the AI industry and was issued pursuant to the president’s January 23 Executive Order (EO) 14179, “Removing Barriers to American Leadership in Artificial Intelligence.”

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New AGs On The Block

NEW AG ON THE BLOCK: GOVERNOR DUNLEAVY APPOINTS STEPHEN J. COX AS ALASKA AG

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

On Thursday, Governor Mike Dunleavy announced that Stephen J. Cox will become the attorney general (AG) of

Alaska, effective Friday, August 29. Cox will replace Alaska AG Treg Taylor, who announced earlier this month that he would be stepping down to run for governor in the state's 2026 general election.

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CATHERINE HANAWAY APPOINTED AS MISSOURI AG

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

On Tuesday, Governor Mike Kehoe announced that Catherine Lucille Hanaway will become attorney general (AG) of Missouri on September 8. Her appointment follows the resignation of Andrew Bailey, who is stepping down to assume a federal role as co-deputy director of the Federal Bureau of Investigation (FBI).

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Marketing and Advertising Updates

FTC ORDERS MATCH GROUP TO PAY \$14M OVER ALLEGED DECEPTIVE SUBSCRIPTION PRACTICES AND GUARANTEE CLAIMS

By [Clayton Friedman, Michael Yaghi](#) and [Namrata Kang](#)

On August 12, the Federal Trade Commission (FTC) [ordered](#) Match Group, owners and operators of online dating platforms such as Match.com, OkCupid, PlentyOfFish, The League, and others, to pay \$14 million. This settlement resolves the FTC's 2019 complaint accusing Match of misleading claims involving guarantees and onerous subscription cancellation processes, contrary to the FTC Act and the Restore Online Shoppers' Confidence Act (ROSCA).

[Read more](#)

MASSACHUSETTS AG CAMPBELL RELEASES BUSINESS GUIDANCE ON “JUNK FEE” AND AUTO-RENEWAL REGULATIONS

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

Massachusetts Attorney General (AG) Andrea Joy Campbell has issued [guidelines](#) to help businesses comply with the recently enacted consumer protection [regulations](#), prohibiting “junk fees” and providing consumers with greater transparency regarding trial and subscription offers. We previously covered these regulations in detail [here](#).

[Read more](#)

COLORADO AG SUES PETSMART OVER TRAP CONTRACTS

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

Colorado Attorney General (AG) Phil Weiser has sued PetSmart LLC, alleging that its use of Training Repayment Agreement Provisions (TRAPs) violates state consumer protection and labor laws. The lawsuit reflects a broader effort by Weiser and other state AGs to combat purportedly exploitative employment agreements.

[Read more](#)

AGS DEMAND END TO UNLAWFUL ROBOCALLS THROUGH &LDQUO;OPERATION ROBOCALL ROUNDUP&RDQUO;

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

In 2022, a bipartisan task force of 51 state attorneys general (AGs) was formed to investigate and take legal action against companies allegedly responsible for large volumes of fraudulent and illegal robocall traffic. North Carolina AG Jeff Jackson, Indiana AG Todd Rokita, and Ohio AG Dave Yost lead the “Anti-Robocall Litigation Task Force.” The task force is made up of AGs from both political parties.

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Gaming Updates

KALSHI FACES REGULATORY SCRUTINY AND LITIGATION FROM SEVERAL ANGLES

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

In addition to receiving cease-and-desist orders from several states (Arizona, Illinois, Montana, and Ohio), and ongoing litigation against New Jersey state gaming regulators in the U.S. Court of Appeals for the Third Circuit, KalshiEx LLC (Kalshi) is also now embroiled in litigation with regulators in Maryland and Nevada. Kalshi operates as a designated contract market, which allows adults in all 50 states to make financial trades on a broad range of topics — from sports to the weather.

[Read more](#)

BBB Updates

ARIZONA AG AND BBB LAUNCH EDUCATION CAMPAIGN ON MODERN CONSUMER SCAMS

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

On June 18, Arizona Attorney General (AG) Kris Mayes, in partnership with the Better Business Bureau (BBB), announced a new consumer educational campaign aimed at teaching Arizona residents how to avoid falling victim to a variety of scams. The education campaign targets consumers lacking awareness of such scams, especially senior citizens. The series of video public service announcements (PSAs) aims to enable Arizona consumers to spot and avoid scams on their own. According to the FBI Internet Crime Complaint Center, Arizona residents lost approximately \$392 million due to consumer fraud in 2024. The AG's office received almost 22,000 consumer complaints, answered more than 28,000 phone calls, and reviewed more than 23,000 emails from consumers

regarding potential fraud during this time.

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[Data + Privacy Updates](#)

NEW JERSEY&RSQUO;S DATA DELETION LAW: IMPLICATIONS FOR RESOLD OR RE-LEASED VEHICLES

By [Troutman Pepper Locke State Attorneys General Team](#), [Matthew Cali](#), [Daniel Waltz](#), [Brooke Conkle](#) and [Chris Capurso](#)

On July 28, the New Jersey Division of Consumer Affairs [issued](#) a reminder to more than 3,000 auto dealerships regarding their obligations under the New Jersey data deletion law, N.J.S.A. § 56:12-18.1. This law, enacted and effective in January 2024, requires dealerships to offer data deletion services for consumer information stored in vehicles accepted for resale or lease. Dealerships are now on notice of their compliance obligations under the law.

[Read more](#)

STREAMING UNDER SCRUTINY: ROKU&RSQUO;S RESPONSE TO MICHIGAN AG&RSQUO;S ALLEGATIONS OF COPPA AND OTHER PRIVACY LAW VIOLATIONS

By [Troutman Pepper Locke State Attorneys General Team](#), [Angelo A. Stio III](#), [Laura Hamady](#), [Esther Kye](#) and [Kyara Rivera Rivera](#)

On April 29, Michigan Attorney General (AG) Dana Nessel filed a [lawsuit](#) against Roku, Inc. (Roku), the smart TV and device provider and streaming service, alleging Roku violated the Children's Online Privacy Protection Act (COPPA), federal and state privacy laws, the Michigan Consumer Protection Act, and other laws by collecting children's personal data and selling it without proper parental consent. The lawsuit sought damages and equitable relief on behalf of Michigan consumers who subscribed to Roku's streaming service. More information regarding this lawsuit can be found [here](#).

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[Health Sciences and Pharmaceuticals Updates](#)

UNDERSTANDING THE IMPACT OF HCA HEALTHCARE&RSQUO;S SETTLEMENT

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

What Happened

HCA Healthcare Inc., a major U.S. hospital operator with more than 180 hospitals across 20 states, announced a \$3.5 million settlement to address allegations of state consumer protection and labor law violations brought by the attorneys general (AG) of [California](#), [Colorado](#), and [Nevada](#). The allegations centered on HCA's enforcement of training repayment agreements (TRAs) with new nurses.

[Read more](#)

STATE AGS JOIN \$202M SETTLEMENT OVER HIV DRUG KICKBACK

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

On July 16, 49 attorneys general (AGs) announced that they joined a \$202 million settlement with Gilead Sciences, Inc. (Gilead). Previously [announced by the Department of Justice](#) in April, the settlement resolved allegations that the company incentivized doctors to prescribe its medication through HIV speaker programs.

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[Antitrust Updates](#)

FLORIDA AG ANNOUNCES INVESTIGATIONS INTO CLIMATE SCORING ORGANIZATIONS

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

What Happened

On July 28, Florida Attorney General (AG) James Uthmeier [announced investigations](#) into two environmental, social, and governance (ESG) scoring organizations for potential violations of state consumer protection and antitrust laws. This investigation is consistent with a [continuing trend](#) among Republican AGs to scrutinize entities directly and indirectly involved in encouraging ESG-based initiatives. For example, in the last three years, Republican AGs have targeted the Net-Zero Banking Alliance and the Net-Zero Asset Managers over antitrust and fiduciary duty concerns related to ESG. Membership in both organizations dwindled as a result.

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[Tobacco and Nicotine Updates](#)

FDA SUES OVER YEARS-LONG INTERNAL REVIEW OF FLAVORED ENDS MDO

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

On August 21, 2025, NJOY, LLC (NJOY), a subsidiary of Altria Group, Inc., sued the U.S. Food and Drug Administration (FDA), alleging that the agency has unlawfully delayed rendering a decision on supervisory review of its June 2022 marketing denial order (MDO) for certain flavored, disposable electronic nicotine delivery systems (ENDS).

[Read more](#)

COURT DENIES INDIAN TRIBE&RSQUO;S INJUNCTION REQUEST PENDING APPEAL IN PACT ACT CASE

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

We recently wrote about a federal case [here](#) and [here](#) involving key issues related to the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) authority to enforce the Prevent All Cigarette Trafficking Act (PACT Act) against federally recognized Indian tribes and ATF's interpretation of key sections of the PACT Act. In addition to appealing the U.S. District Court for the Central District of California's decision, we noted that the Twenty-Nine Palms Band of Mission Indians (the Tribe) asked the district court to require ATF to remove it from the agency's PACT Act noncompliant list (NCL) and prevent ATF and the other defendant, the Department of Justice from taking action against it pending its appeal before the U.S. Court of Appeals for the Ninth Circuit. On July 30, the federal district court [denied](#) the Tribe's request.

[Read more](#)

FDA TOBACCO CIVIL MONEY PENALTY PROVISIONS RULED UNCONSTITUTIONAL, BUT NOT ENJOINED NATIONWIDE

By [Agustin Rodriguez](#) and [Zie Alere](#)

In early August, the U.S. District Court for the Northern District of Texas ruled that the civil money penalty (CMP) provision in the Food, Drug, and Cosmetic Act (FDCA) for tobacco products, 21 U.S.C. § 333(f)(9), is unconstitutional. Specifically, the court found that the FDCA improperly allows the U.S. Food and Drug Administration (FDA) to bring an administrative action to collect CMPs because the Seventh Amendment guarantees the right to a jury trial in such cases.

[Read more](#)

Cannabis Regulatory Updates

BIPARTISAN STATE AGS URGE CONGRESS TO GRANT ACCESS TO FEDERALLY REGULATED BANKING AND FINANCIAL SERVICES TO STATE-REGULATED CANNABIS BUSINESSES

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

In July 2025, a bipartisan coalition of 32 state and territorial attorneys general (AG) sent a [letter](#) to congressional leaders urging the passage of the Secure and Fair Enforcement Regulation (SAFER) Banking Act. Their letter emphasizes that the legislation — a long-stalled federal reform — would provide legal clarity and a safe harbor for banks and financial institutions to serve state-licensed cannabis businesses. Such clarity, they argue, is urgently needed to address public safety risks and to improve the states' ability to regulate and tax the booming cannabis industry.

[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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