

# Troutman Pepper Locke Regulatory Oversight Newsletter – March 2026

## WRITTEN BY

Stephen C. Piepgrass | Keith J. Barnett | Christopher Carlson | Jason M. Cover | Jay A. Dubow | Lauren Morgan Fincher | Clayton S. Friedman | Mark J. Furletti | Bryan M. Haynes | Melissa Horne | Stefanie H. Jackman | Kim Phan | Agustin E. Rodriguez | Ghillaine A. Reid | Ashley L. Taylor, Jr. | Karlie Clemons Webb | Chris Willis | Michael Yaghi | Shawn J. Zovod | Matthew J. Berns | Graham K. Bryant | Samuel E. "Gene" Fishel | Jeff P. Johnson | Warren F. Myers | Zie Alere | Jessica M. Birdsong | Natalie Navarro Crane | Joseph M. DeFazio | Taylor R. Gess | Liz Glusman | Sydney Goldberg | Troy C. Homesley | Michael B. Jordan | Namrata Kang | Michael A. Lafleur | Carlin A. McCrory | Philip D. Nickerson | Chelsey B. Noble | Dascher Pasco | Nicholas Ramos | McKayla Riter | Kyara M. Rivera Rivera | Jeremy Colin Sairsingh | Timothy Shyu | Trey Smith | Daniel Waltz | Cole White | Zoe Schloss

---

## 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.

## IN THIS ISSUE:

- [Troutman Pepper Locke Spotlight](#)
- [Podcast Updates](#)
  - [Regulatory Oversight](#)
  - [Payments Pros](#)
- [Financial Services Updates](#)
- [SEC Updates](#)
  
- [FDA Updates](#)
- [Cannabis Updates](#)
- [Environmental Updates](#)
- [Health Sciences and Pharmaceuticals Updates](#)
- [Single State AG News](#)

---

## TROUTMAN PEPPER LOCKE SPOTLIGHT

### Troutman Pepper Locke Expands Virginia Appellate and State Enforcement Capabilities

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

Graham K. Bryant, former Principal Deputy Solicitor General and Director of Virginia Appellate Litigation in the Office of the Attorney General of Virginia, has joined Troutman Pepper Locke's Regulatory Investigations, Strategy + Enforcement (RISE) practice group and Virginia Appellate team. In addition, Leah DeFazio has rejoined the RISE practice group after serving as an Assistant Solicitor General in the Virginia Attorney General's Office, further strengthening the firm's Virginia appellate and state enforcement capabilities.

[Read more](#)

### **Methods For Challenging State Civil Investigative Demands**

By [Ashley L. Taylor, Jr.](#), [Michael Lafleur](#), and [Sydney Goldberg](#)

When a client receives a civil investigative demand, or CID, or equivalent subpoena from a state attorney general, the first question is always some version of “how can we move to quash this subpoena?”

[Read more](#)

### **States Use App Store Controls to Keep Online Content From Minors**

By [Chris Carlson](#), [Lauren Fincher](#), and [Jessica Birdsong](#)

New state age verification and parental consent laws are slated to take effect in 2026 to shield children from harmful online content, creating significant compliance obligations and heightened enforcement risk for both app developers and app stores.

[Read more](#)

### **Your Guides to State Attorney General Investigations: Troutman Pepper Locke AG Attorneys Share Their Approach**

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

State AG investigations are different. The lawyers in Troutman Pepper Locke's State Attorneys General practice know this because many of us worked in those offices over a period of 30+ years. We understand how AGs prioritize cases, how they advise other regulators in their states, what triggers multistate actions or private litigation, and how to resolve issues before they escalate. Whether you're facing questions about consumer protection, insurance, pharmaceutical regulation, AI compliance, or other high-stakes regulatory and enforcement issues — often across a patchwork of state regulatory frameworks — we help you navigate AG scrutiny while keeping your business running.

[Watch video](#)

---

## **PODCAST UPDATES**

### ***REGULATORY OVERSIGHT***

#### **California DFPI's Next Target: Credit Reporting Industry**

By [Stephen C. Piepgrass](#), [Kim Phan](#), and [Michael Yaghi](#)

In this special crossover episode of *Regulatory Oversight* and *FCRA Focus*, Kim Phan is joined by Michael Yaghi, partner in Troutman Pepper Locke's Regulatory Investigations, Strategy + Enforcement practice group, to unpack the California Department of Financial Protection and Innovation's (DFPI) latest effort to require registration for the credit reporting industry.

[Read more](#)

### **Trading, Gambling, or Something Else? Prediction Markets and the Payments Puzzle**

By [Stephen C. Piepgrass](#) and [Keith J. Barnett](#)

In this crossover episode, *Regulatory Oversight* host Stephen Piepgrass teams up with *Payments Pros* host Keith Barnett to unpack how prediction markets, gaming, and payments intersect in a rapidly evolving and legally uncertain landscape.

[Read more](#)

### **PAYMENTS PROS**

#### **Payments Year in Review 2025: Federal and State Developments – Part 2**

By [Keith J. Barnett](#), [Jason Cover](#), and [Carlin McCrory](#)

In the second installment of the two-part Payments Year in Review series, hosts Keith Barnett, Carlin McCrory, and Jason Cover focus on the state-level developments that shaped the 2025 payments landscape and will influence 2026.

[Read more](#)

---

### **FINANCIAL SERVICES UPDATES**

#### **New York Proposes Sweeping Licensing and Consumer Protection Regime for BNPL Lenders**

By [Matthew Berns](#), [Jason Cover](#), [Mark Furletti](#), [Stefanie Jackman](#), [Chris Willis](#), [Taylor Gess](#), and [Jeremy Sairsingh](#)

On February 23, the New York Department of Financial Services (DFS) [issued](#) a proposed new Part 423 to Title 3 of the NYCRR to implement New York Banking Law Article 14-B for Buy-Now-Pay-Later (BNPL) lenders. The proposal would move BNPL firmly into New York's credit system, imposing licensing, supervision, disclosure, data privacy, and underwriting requirements on both interest-free and interest-bearing BNPL products offered to New York consumers. If adopted, the rule would take effect 180 days after the notice of adoption is published in the State Register, with a short transitional period for existing BNPL providers. DFS is accepting pre-proposal comments through March 5, 2026, after which the proposed rule will be published in the New York state register for a formal 60-day comment period.

[Read more](#)

#### **Colony Ridge Settlement With Texas and US Department of Justice Reflects Shift in Enforcement Priorities**

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

On March 6, 2026, a U.S. district court will consider whether to approve a settlement agreement resolving parallel lawsuits by the Texas attorney general (AG) and the federal government against Houston-area developer Colony Ridge Development, LLC and related companies. The complaints in both suits — which were filed during the Biden administration — claim that Colony Ridge discriminatorily targeted Hispanic consumers with predatory financing to purchase land for residences in areas that were in fact uninhabitable.

[Read more](#)

---

## SEC UPDATES

### **SEC Enforcement Manual Updates Signal Renewed Focus on Fairness, Transparency, and Efficiency**

By [Jay Dubow](#) and [Ghillaine Reid](#)

Today, the Securities and Exchange Commission's (SEC) Division of Enforcement [announced](#) significant updates to its Enforcement Manual, the first comprehensive revision since 2017. These changes, which will now be reviewed annually, are designed to promote greater fairness, transparency, and efficiency in SEC investigations and enforcement actions.

[Read more](#)

---

## FDA UPDATES

### **After FDA's Policy Shift on Artificial Colors, State Enforcement and Private Litigation Risks Linger**

By [Matthew Berns](#) and [Namrata Kang](#)

On February 5, the Food and Drug Administration (FDA) announced a major change in how the agency will regulate claims about artificial colors in foods.

[Read more](#)

---

## CANNABIS UPDATES

### **Third Circuit Ruling Highlights Unique Dynamics for Cannabis-Related Contract Disputes**

By [Agustin Rodriguez](#), [Matthew Berns](#), and [Zie Alere](#)

A recent [decision](#) of the U.S. Court of Appeals for the Third Circuit serves as a stark reminder to companies and individuals in the state-legal cannabis industry that the federal illegality of cannabis can jeopardize their ability to enforce contracts in federal court.

[Read more](#)

### **Circuit Split Emerges on State Marijuana Residency Rules, With Ninth Circuit Finding Dormant Commerce Clause Inapplicable**

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

In January, the U.S. Court of Appeals for the Ninth Circuit ruled 3-0 that the Dormant Commerce Clause does not prohibit states from imposing residency requirements for obtaining marijuana business licenses. The court found that the federal illegality of marijuana renders Dormant Commerce Clause protections inapplicable, cementing a circuit split on the constitutionality of state residency rules for marijuana licenses.

[Read more](#)

---

## ENVIRONMENTAL UPDATES

### **Court Enjoins Oregon’s Extended Producer Responsibility Law for Some Companies, but Others Face Continued Compliance Obligations**

By [Shawn Zovod](#), [Karlie Webb](#), [Melissa Horne](#), [Bryan Haynes](#), [Liz Glusman](#), [Chelsey Noble](#), and [Natalie Crane](#)

On February 6, 2026, an [Oregon district court](#) issued a decision barring the Oregon Department of Environmental Quality (DEQ) from enforcing the nation’s first extended producer responsibility (EPR) law for packaging, food serviceware, and paper products (referred to as “covered products” under Oregon’s law). The very brief order enjoins DEQ from enforcing the state’s Plastic Pollution and Recycling Modernization Act (RMA) against the National Association of Wholesaler-Distributors (NAW) and its members, who filed their suit in July 2025, challenging the law and claiming it violated the Oregon and U.S. Constitutions.

[Read more](#)

---

## HEALTH SCIENCES AND PHARMACEUTICALS UPDATES

### **Virginia’s EpiPen Settlement and What It Signals for Pharma Under AG Scrutiny**

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

On January 16, Attorney General (AG) Jason Miyares’ last day in office, the Virginia AG reached a [settlement](#) with Viatrix, Mylan’s corporate successor, over EpiPen pricing and related practices. The settlement was filed and approved by the Circuit Court for the City of Richmond without issuance of a press release by the Virginia AG.

[Read more](#)

---

## SINGLE STATE AG NEWS

### **New Jersey AG Is Unanimously Confirmed as Enforcement Agenda Takes Shape**

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

On February 24, the New Jersey State Senate unanimously confirmed the appointment of Jennifer Davenport to serve as New Jersey’s attorney general (AG). Davenport (whose nomination we covered [here](#)) has been serving in an acting capacity since Governor Mikie Sherrill took office in January.

[Read more](#)

## **Connecticut AG Initiates Investigation Into Private Equity Group Over Conditions at Apartment Complex**

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

On February 9, Connecticut Attorney General (AG) William Tong announced an investigation into the owners and managers of the Concierge Apartments in Rocky Hill, CT, for potential violations of the Connecticut Unfair Trade Practices Act after frozen pipes burst and tenants were displaced.

[Read more](#)

## **Texas and Florida AGs Issue Opinions Ratifying Trump Administration's Executive Orders Dismantling DEI Policies and Programs**

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

Recent opinions by the Texas attorney general (AG) and the Florida AG assert that their states' race- and sex-conscious laws and policies are unconstitutional. The opinions align with President Donald Trump's 2025 Executive Orders 14151 and 14173 (collectively, the executive orders), which seek to end gender- and race-based contracting practices and dismantle diversity, equity, and inclusion (DEI) initiatives. Like the executive orders, the AG opinions target DEI-related policies affecting state contracting, appointments, and employment; the Texas AG also specifically asserts that private employers' applicable DEI policies (as described within the opinion) violate Texas and federal law, thereby targeting both the private and public sectors. Although not legally binding on courts, such opinions provide a guide for the likely contours of future enforcement action by these state attorneys general.

[Read more](#)

## **California AG Resolves Litigation Alleging Elevated Levels of Cadmium and Lead in Seafood Products**

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

California Attorney General (AG) Rob Bonta recently announced a [consent judgment](#) resolving allegations that the Pacific American Fish Company, Inc. (PAFCO), a seafood distributor and processor, had sold frozen seafood products with elevated levels of lead and cadmium in California without the warnings required by state law.

[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.*

### **RELATED INDUSTRIES + PRACTICES**

- [Cannabis](#)
- [Consumer Financial Services](#)
- [Enforcement Actions + Investigations](#)

- Gaming
- Health Care + Life Sciences
- Marketing + Advertising
- Payments + Financial Technology
- Regulatory Investigations, Strategy + Enforcement
- Securities Investigations + Enforcement
- State Attorneys General