

# Troutman Pepper Locke Regulatory Oversight Newsletter – May 2026

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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.

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## TROUTMAN PEPPER LOCKE SPOTLIGHT

### Markets Favor El-Sayed in Michigan Democratic Senate Primary as Polls Stay Split

By [Stephen C. Piepgrass](#)

Stephen Piepgrass, leader of Troutman Pepper Locke’s Regulatory Investigations, Strategy + Enforcement Practice Group, was quoted in the May 2, 2026, *DeFi Rate* article, “[Markets Favor El-Sayed in Michigan Democratic Senate Primary as Polls Stay Split.](#)”

[Read more](#)

### **State Attorneys General and Continued Enforcement Against ‘Junk Fees’ in 2026**

By [Clayton Friedman](#), [Ashley L. Taylor, Jr.](#), [Namrata Kang](#), and [Kyara Rivera Rivera](#)

“Junk fees” have become a central political and regulatory buzzword in recent years. The term generally refers to extra charges tacked onto purchases — such as convenience, service, resort, or handling fees — that are either not disclosed, or not clearly disclosed, in the initial advertised price. These charges often only appear late in the transaction process, a pricing tactic commonly known as “drip pricing.”

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### **Navigating Multistate State AG Investigations: From First CID to Final Settlement**

By [Clayton Friedman](#) and [Jessica Birdsong](#)

State attorneys general are some of the most active regulators in the country, particularly in consumer protection, antitrust, privacy, and emerging technology. For many companies, the first sign of contact is a civil investigative demand (CID) or subpoena from a single state. For others, the first contact is a call from outside counsel alerting them that a coalition of AGs is already coordinating a multistate investigation.

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## **PODCAST UPDATES**

### **REGULATORY OVERSIGHT PODCAST UPDATES**

#### **AI State Regulatory Frontiers: How Existing Laws Regulate AI**

By [Ashley L. Taylor, Jr.](#)

In this episode of *Regulatory Oversight*, host Ashley Taylor continues his multipart series on artificial intelligence (AI) with returning guests Gurkan Ay and Andrew Coles of Resolution Economics. Together, they move beyond headlines and hypotheticals to focus on how AI is being regulated today — and what companies should be doing now to manage risk.

[Read more](#)

#### **AI State Regulatory Frontiers: Predictive, Generative, and Agentic Risk**

By [Ashley L. Taylor, Jr.](#)

In this episode of *Regulatory Oversight*, co-host Ashley Taylor, co-leader of Troutman Pepper Locke’s State Attorneys General team, kicks off a multipart series on artificial intelligence (AI) with guests Gurkan Ay and

Andrew Coles of Resolution Economics. They unpack what people really mean by “AI” today and why it is critical for risk, compliance, and legal exposure to distinguish among the three primary “flavors” of AI: predictive, generative, and agentic. In practical terms, they explain how predictive tools that score, rank, and classify individuals rely on historical data, how generative AI enables natural-language interaction but introduces risks like hallucinations, and how emerging agentic AI can autonomously plan and execute complex, multistep workflows, creating new governance challenges.

[Read more](#)

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## **PAYMENTS PROS PODCAST UPDATES**

### **Before You Front the Funds: Benefits and Pitfalls of Earned Wage Access Tools**

By [Carlin McCrory](#), [Tracey Diamond](#), and [Emily Schifter](#)

In this episode of *Payments Pros*, host Carlin McCrory teams up with *Hiring to Firing* hosts Tracey Diamond and Emily Schifter to explore the emerging world of earned wage access (EWA), or on-demand pay, through the lens of the reality TV show *Shark Tank*. They examine the Consumer Financial Protection Bureau’s evolving approach, rapidly developing (and sometimes conflicting) state laws, and the wage-and-hour and payroll challenges that can arise when employees access their pay early. The discussion also covers how EWA can serve as a powerful recruitment and retention tool, the risk that a well-intentioned benefit can be viewed as a “loan in sheep’s clothing,” and practical steps HR and in-house counsel can take when vetting vendors or considering in-house EWA programs. Tune in to decide whether EWA is the kind of pitch your HR “sharks” should back — or one that should prompt, “And for that reason, I’m out.”

[Read more](#)

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## **FTC UPDATES**

### **FTC ‘Made in USA’ Sweep Ahead of America’s 250th Anniversary**

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

The FTC has [announced](#) a “Made in the USA” enforcement sweep, bringing three federal actions and issuing two closing letters, following its July 2025 warning letters to companies about “Made in USA” compliance and President Donald Trump’s [March 13, 2026, executive order](#) “Ensuring Truthful Advertising of Products Claiming to be Made in America,” directing the agency to prioritize U.S.-origin claim enforcement.

[Read more](#)

### **State AGs Back FTC’s Proposed Rule on Rental Junk Fees**

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

On April 13, a bipartisan coalition of more than two dozen state attorneys general (AGs) submitted a [comment letter](#) supporting the Federal Trade Commission’s (FTC) [proposed rule targeting so-called “junk fees” in the residential rental market](#). The coalition’s letter reflects growing concern that alleged undisclosed or misleading rental fees are worsening housing affordability and confusing consumers nationwide.

[Read more](#)

## **StubHub to Refund \$10M in ‘Junk Fees’ as Part of Latest FTC Settlement**

By [Clayton Friedman](#) and [Namrata Kang](#)

Regulators have been steadily tightening the screws on “junk fees” across the economy — from hotel resort fees to “service” and other charges when buying live event tickets. The Federal Trade Commission’s (FTC) [rule on unfair or deceptive fees](#) (FTC’s Fees Rule), which took effect on May 12, 2025, is a centerpiece of that effort, requiring businesses to show consumers the full price up front. The latest enforcement action targets one of the biggest players in the live event ticketing market: StubHub.

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## **PRIVACY + DATA UPDATES**

### **Virginia Becomes Third State to Ban Sale of Consumers’ Precise Geolocation Data**

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

On April 13, 2026, Virginia Governor Abigail Spanberger signed [SB338](#) into law, amending Virginia’s Consumer Data Protection Act (VCDPA) to prohibit controllers of personal data from selling consumers’ precise geolocation data. This ban, which takes effect on July 1, 2026, makes Virginia the third state in recent years to prohibit the sale of such data and reflects a trend that is likely to continue. Somewhat surprisingly, Virginia was the second state, behind California, to enact a comprehensive consumer privacy law and is continuing within that vein with this early expansion of privacy rights

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### **Illinois AG Defends State’s Interchange Fees Prohibition and Data Usage Limitation on Appeal**

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

The Illinois attorney general (AG) recently filed a brief defending the Illinois Interchange Fee Prohibition Act (IFPA) in an appeal arising out of litigation captioned *Illinois Bankers Association v. Raoul*. The AG asked the Seventh Circuit to affirm a lower court’s decision to uphold the IFPA’s ban on certain interchange fees, also known as card “swipe” fees. The industry argues that the law is unconstitutional or inconsistent with federal law. The AG also asked the Seventh Circuit to overturn the lower court’s decision that the act’s data usage limitation is preempted by federal law.

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### **Michigan Federal Court Narrows Roku Privacy Suit to COPPA Claims**

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

A federal court in Michigan significantly narrowed Michigan Attorney General (AG) Dana Nessel’s privacy and consumer protection case against Roku, Inc. (Roku) dismissing all non-Children’s Online Privacy Protection Act

(COPPA) claims for lack of standing while allowing the state's privacy claims under COPPA to proceed. The decision highlights COPPA's utility as a vehicle for state AGs to bring enforcement actions in federal court, while also underscoring the jurisdictional limits on bringing companion state privacy and consumer protection claims in the same forum.

[Read more](#)

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## TOBACCO UPDATES

### **Federal Court Finalizes Definition of FDA-Exempt Premium Cigars**

By [Bryan Haynes](#) and [Nick Ramos](#)

For years, we have written ([here](#), [here](#), [here](#), and [here](#)) about the decade-long effort to vacate the U.S. Food and Drug Administration's (FDA) decision to "deem" premium cigars covered by FDA's 2016 rule (the Deeming Rule), which swept all tobacco products under FDA authority. On April 15, the U.S. District Court for the District of Columbia issued an [order](#) that it characterized as "(hopefully) ... the final chapter" in the litigation over how FDA regulates premium cigars. The parties have 30 days to appeal the order, but, if not, the order will stand.

[Read more](#)

### **State AGs Turn Up the Heat on Payment Processors Over Unauthorized E-Cigarette Sales**

By [Agustin Rodriguez](#), [Richard Zack](#), and [Michael Jordan](#)

On April 14, Iowa Attorney General (AG) Brenna Bird, leading a coalition of 13 state AGs, sent a pointed [letter](#) to Visa, Mastercard, American Express, and Discover. Their message was clear: payment networks are expected to help shut down the U.S. market for unauthorized e-cigarette products.

[Read more](#)

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## MARKETING + ADVERTISING UPDATES

### **DC Announces Live Nation Will Pay \$9.9M for Alleged Deceptive Ticket Pricing Practices**

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

On April 20, 2026, Attorney General (AG) Brian Schwalb announced that Live Nation, which owns Ticketmaster, will pay \$9.9 million to resolve allegations of deceptive ticket pricing and hidden fees affecting District of Columbia consumers. The [settlement](#) provides millions in refunds to D.C. ticket buyers and requires Live Nation to maintain reforms that ensure upfront disclosure of full ticket prices.

[Read more](#)

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## HEALTH CARE + LIFE SCIENCES UPDATES

### **SCOTX Clarifies Standards for Challenging Civil Investigative Demands**

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

In its recent decision in [Office of the Attorney General v. PFLAG, Inc.](#), the Texas Supreme Court addressed the scope of the attorney general's (AG) authority to issue civil investigative demands (CIDs) under the Deceptive Trade Practices Act (DTPA). The dispute arose against the backdrop of *State v. Loe*, a case challenging Texas's statutory ban on certain gender-affirming medical treatments for minors. PFLAG, a nonprofit involved in that litigation, received a CID issued by the Office of the AG (OAG) based on statements made in a supporting affidavit, which led the OAG to assert that PFLAG may have information relevant to potential misrepresentations by medical providers to insurance companies.

[Read more](#)

### **Center for Vein Restoration Enters Into \$4M False Claims Act Settlement With States and Federal Government**

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

Connecticut Attorney General (AG) William Tong [announced](#) on March 20, 2026, that Connecticut has joined with [other states and the federal government](#) to reach a settlement with CVR Management, LLC, the entity that manages the Center for Vein Restoration (CVR), resolving allegations that the company billed government health programs for medically unnecessary procedures. The settlement requires CVR Management to pay \$4 million, which will be distributed among the Medicaid programs of eight states, the District of Columbia, the federal government, and the relators of the original lawsuits.

[Read more](#)

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## **SEC UPDATES**

### **SEC FY 2025 Enforcement Results Reveal Changing Priorities From Record Numbers to Investor Protection**

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

The Securities and Exchange Commission's (SEC) April 7, 2026, [press release](#) on its fiscal year (FY) 2025 enforcement results is less about numbers and more about a philosophical reset. Under Chairman Paul Atkins and Commissioner Mark Uyeda, who served as acting chair prior to the chairman's confirmation, the SEC is expressly stepping back from what it characterizes as "regulation by enforcement" and volume-driven metrics, and recentering on what it has described as fraud, investor harm, and congressional intent. For registrants and other market participants, this shift has direct consequences for how enforcement risk is likely to be assessed going forward.

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## **OTHER SINGLE STATE AG NEWS**

### **California AG Files Lawsuit Against Individuals and Charities for Allegedly Operating and Profiting from Fraudulent Fundraising Opportunities**

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

On March 26, 2026, California Attorney General (AG) Rob Bonta filed a complaint in state court against six individuals and three organizations for allegedly creating and operating sham charities. According to the complaint, the defendants used the organizations to raise approximately \$3.8 million, which they used for personal expenses. The complaint alleges that these actions resulted in violations of various state laws, including California's Charitable Supervision Act.

[Read more](#)

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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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