

Troutman Pepper State Attorneys General Monitor – June 2021

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Troutman Pepper's State Attorneys General team combines legal acumen and government experience to develop comprehensive, thoughtful strategies for clients. Our lawyers handle individual and multistate AG investigations, proactive counseling and litigation, and manage ancillary regulatory issues. Our successful approach has been recognized by *Chambers USA*, which ranked our practice as a leader in the industry.

STATE ATTORNEYS GENERAL

STATE ATTORNEYS GENERAL ARE PAYING ATTENTION TO CRYPTO!

By Timothy Butler, [Christopher Carlson](#), and Matthew White

While active in the space for several years, state attorneys general have taken increasingly aggressive action over the last year to regulate crypto-based products and services and prosecute those abusing this otherwise exciting innovation. In this article, we summarize the basics of crypto, as well as recent actions by state attorneys general involving crypto-based products and services.

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TRIBAL LENDING

ADOPTING BREAKTHROUGH FACTORS, CONNECTICUT SUPREME COURT HANDS VICTORY TO TRIBAL LENDING ENTITY GREAT PLAINS LENDING

By [Christopher Carlson](#) and [Bonnie Gill](#)

In late May, the Connecticut Supreme Court held that the tribal lending entity Great Plains Lending (Great Plains) is protected by tribal sovereign immunity as an "arm of the tribe," adopting a test first established by the Tenth Circuit in *Breakthrough Management Group, Inc. v. Chukchansi Gold Casino & Resort*. The case represents a major victory for the tribe and for tribal lending entities overall, and serves as further guidance to other courts faced with similar claims as tribes continue to establish a strong presence in e-commerce lending activities.

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FTC PROTECTION

FTC TESTIFIES BEFORE CONGRESS ON ITS WORK TO PROTECT CONSUMERS FROM COVID-19 SCAMS AND THREATS TO ITS ABILITY TO RETURN MONEY TO VICTIMS OF ILLEGAL CONDUCT

By [Ethan Ostroff](#) and J.B. Craddock

On April 20, members of the Federal Trade Commission (FTC) [testified](#) before the Senate Commerce Committee to update lawmakers of their efforts to curtail scams and other fraudulent consumer abuses related to the novel coronavirus (COVID-19). In addition to highlighting the abuses consumers have faced during COVID-19, the FTC reiterated its call for Congress to pass legislation reaffirming that the agency has authority to prohibit unlawful conduct and seek monetary relief for consumers who have lost money from illegal conduct.

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CFPB SETTLEMENT

CFPB OBTAINS \$5.4 MILLION FROM DEBT-RELIEF SERVICE THAT ALLEGEDLY CHARGED ILLEGAL FEES

By Timothy Butler, [Keith Barnett](#), [Carlin McCrory](#), and Matthew White

On May 17, the Consumer Financial Protection Bureau (CFPB) announced a [settlement](#) with DMB Financial LLC, a Massachusetts-based debt-settlement company. In its complaint, the CFPB alleged that DMB Financial violated the Telemarketing Sales Rule (TSR) and the Consumer Financial Protection Act of 2010 (CFPA) by charging illegal fees and misleading consumers about its business practices.

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FTC NOMINEE

SENATE COMMITTEE ADVANCES BIG TECH CRITIC LINA KHAN'S NOMINATION TO THE FTC

By Timothy Butler, [Keith Barnett](#), [Carlin McCrory](#), and Matthew White

On May 12, the Senate Commerce Committee voted overwhelmingly to move forward with Lina Khan's nomination to the Federal Trade Commission (FTC), which suggest that Khan is likely to be confirmed as an FTC commissioner by the full Senate. Khan has been a critic of big tech and advocate of competitive markets, as we previously discussed.

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CFPB DELAY

CFPB ISSUES RULE DELAYING THE MANDATORY COMPLIANCE DATE OF THE NEW GENERAL QUALIFIED MORTGAGE FINAL RULE

By [David Gettings](#) and [Paul Boller](#)

On April 27, the Bureau of Consumer Financial Protection (CFPB) [issued a final rule](#) to delay the mandatory compliance date for the General QM Final Rule until October 1, 2022. The CFPB stated that it issued the rule “to help ensure access to responsible, affordable mortgage credit and to preserve flexibility for consumers affected by the COVID-19 pandemic and its economic effects.” The mandatory compliance was originally set for July 1.

[Read more](#)

FTC ACT

FTC ASSERTS U.S. CHAMBER IS WRONG ABOUT NEED FOR MONETARY REMEDIES

By Timothy Butler, [Keith Barnett](#), [Carlin McCrory](#), and Matthew White

On May 18, the Federal Trade Commission’s (FTC) Acting chairwoman told Congress that the U.S. Chamber of Commerce’s opposition to legislation that would authorize the FTC to obtain monetary remedies under Section 13(b) of the FTC Act was based on “numerous misstatements and faulty premises.” Chairwoman Slaughter’s comments highlight the FTC’s concern that the Supreme Court’s decision in *AMG Capital Management* (discussed [here](#)), which held that Section 13(b) of the FTC Act does not authorize the FTC to obtain equitable monetary remedies, “deprived the FTC of its strongest tool to help consumers.”

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