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STATE ATTORNEYS GENERAL PRACTICE

2025 State AG Year in Review

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Introduction

State attorneys general (AGs) are among the most active and influential regulators in the U.S., using broad statutory authority, political visibility, and growing technical knowledge to shape policy and enforcement across sectors. In 2025, they asserted their authority to shape the legal and regulatory environment across the U.S. through aggressive and coordinated action. Despite changing regulatory and political priorities, AGs continued to respond quickly to constituent concerns, tested new legal theories, and coordinated across state lines — often stepping in where federal oversight has receded or taken a different course. Their ability to act nimbly at the intersection of law, politics, and public policy ensures that state AGs will remain central players in the regulatory landscape in 2026 and beyond.

Our *2025 State AG Year in Review* examines this evolving environment against the backdrop of meaningful political change. Following the 2025 election cycle, Republicans now hold 27 AG offices and Democrats 24 (including the District of Columbia). The 2026 ballot will feature more than 30 AG races — including numerous open seats and high-profile contests in states such as Texas and Florida. These transitions, combined with new leadership at several key national AG organizations, will shape enforcement priorities, regulatory approaches, and multistate coordination in the coming years. For companies with ongoing investigations, litigation, or that participate in industries that are significantly regulated at the state level, understanding where AGs are headed — and who will be leading those offices — is increasingly important for effective strategic planning and risk management.

Substantively, 2025 underscored that state AGs are not only preserving but expanding their role at the forefront of consumer protection and market oversight. This *Year in Review* highlights major developments and trends in (1) antitrust, (2) artificial intelligence (AI), (3) consumer financial services, (4) gaming, (5) health care and pharma, (6) marketing and advertising, and (7) privacy and cyber. Across these areas, AGs leveraged traditional tools (such as unfair, deceptive, and abusive practices (UDAP) statutes, antitrust laws, and public nuisance theories) while testing new frameworks for AI governance, children's online safety, junk fees, data privacy, and emerging financial products.

As the only law firm with two attorneys ranked Band 1 in *Chambers USA* for State Attorneys General and one of the few ranked nationwide, our team is well positioned to help companies navigate this complex and rapidly shifting landscape. We work with clients to anticipate enforcement trends, engage effectively with AG offices, respond strategically to enforcement actions, and build compliance and governance programs that can withstand scrutiny across multiple jurisdictions.

We hope that this *Year in Review* is a helpful resource for companies aiming to bolster their AG strategy in 2026.

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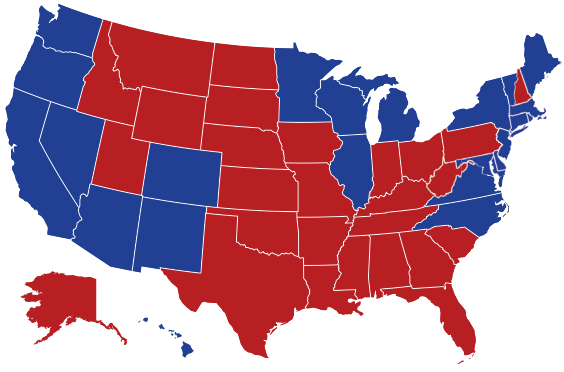
State AG Landscape: A Look Back at 2025 and a Preview of 2026

Following the 2025 election cycle, Republicans now hold 27 state AG offices nationwide, and Democrats now hold 24, including the District of Columbia.



Democratic States

Republican States

- 27 Republican AGs
- 24 Democratic AGs

2025: A LOOK BACK

While generally considered an election "off-year," 2025 featured notable shifts in the AG landscape — Virginia and New Jersey, in particular. Virginia was the only state AG race this cycle, and the outcome marked a flip in party control when Democratic challenger Jay Jones defeated incumbent Republican AG Jason Miyares.

The next shift occurred in New Jersey when Democratic candidate Mikie Sherrill won the gubernatorial election — under the New Jersey state constitution, the AG is an appointed position by the governor to serve concurrently. In December 2025, then Govenor-elect Sherrill nominated Jennifer Davenport to serve as the next AG, who must now be confirmed by the Democrat controlled State Senate. Davenport's likely confirmation to the seat means Democrats will continue to count New Jersey within their column of party control.

2026: A PREVIEW

The 2026 election cycle is poised to reshape the state AG landscape in a meaningful way. With more than 30 AG races on the ballot — including high-profile contests in Texas and Florida — the results will have significant implications for enforcement priorities, regulatory approaches, and policy outcomes nationwide. At least 11 open-seat races, driven by term limits or AGs seeking higher office, will usher in a wave of new AGs and senior staff, creating both uncertainty and opportunity for businesses. Companies with active investigations or litigation may face strategic decisions about whether to resolve matters under current leadership or wait to see how a new AG will proceed.

Beyond the open seats, several incumbents are expected to coast to reelection with few expected changes in their enforcement priorities, while others — particularly in states like Arizona, Florida, Kansas, and Wisconsin — will face competitive primary or general election challenges that could significantly alter the direction of their respective offices. For businesses, especially those in heavily regulated sectors such as health care, finance, technology, and energy, understanding these dynamics and tracking key races will be critical to anticipating shifts in enforcement, adjusting compliance strategies, and engaging effectively with new AG leadership across multiple jurisdictions.
The full list of 2026 AGs races is:

STATE / TERRITORY

- Alabama
- Arizona
- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Idaho
- Illinois
- Iowa
- Kansas
- Maryland
- Massachusetts
- Michigan
- Minnesota
- Nebraska
- Nevada
- New Mexico
- New York
- North Dakota
- Ohio
- Oklahoma
- Rhode Island
- South Carolina
- South Dakota
- Texas
- Vermont
- Wisconsin

2026 STATE AG ORGANIZATIONAL LEADERSHIP

Finally, national AG organizations will be led by the following AG leadership teams, who will guide priority developments in 2026:

National Association of Attorneys General (NAAG):

- **President:** AG William Tong, Connecticut
- **President-Elect:** AG Marty Jackley, South Dakota
- **Vice President:** AG Brian Schwalb, District of Columbia

Attorney General Alliance (AGA):

- **Chairman:** AG Raúl Torrez, New Mexico
- **Member:** AG Drew Wrigley, North Dakota
- **Past Chairman:** AG Aaron Ford, Nevada

Democratic Attorneys General Association (DAGA):

- **Co-Chair:** AG Kwame Raoul, Illinois
- **Co-Chair:** AG Keith Ellison, Minnesota
- **Vice Chair:** AG Charity Clark, Vermont

Republican Attorneys General Association (RAGA):

- **Chairman:** AG Austin Knudsen, Montana
- **Vice Chairman:** AG Mike Hilgers, Nebraska

Antitrust Enforcement

Throughout 2025, antitrust enforcement remained a priority for state AGs and federal agencies. The year was marked by last-ditch actions from the Biden administration, major state-led litigation, and subsequent federal developments that signal evolving strategies and priorities for the second Trump administration. Together, these dynamics underscore the key themes, landmark cases, and emerging trends shaping the antitrust landscape at both the federal and state levels for 2026.

STATE ATTORNEYS GENERAL

State AGs continued to exercise their autonomy in 2025, leveraging the State Antitrust Enforcement Venue Act to pursue cases outside federal multidistrict litigation. This independence allowed states to move swiftly on high-impact matters, often in parallel with or entirely separate from federal agencies. This trend is likely to continue and grow in practice.

MAJOR STATE-LED ACTIONS

As part of the state AGs' yearslong generic drug price fixing litigation, a coalition of 50 state AGs sought court approval for a $39.1 million settlement with Apotex Corp., alleging a long-running conspiracy to inflate generic drug prices. The settlement, expected to be finalized in early 2026, includes injunctive relief and restitution for consumers.

In January, the Federal Trade Commission (FTC) and five states (Illinois, Minnesota, Michigan, Wisconsin, and Arizona) filed suit against Deere & Co. for allegedly restricting the independent repair of agricultural equipment in violation of Section 2 of the Sherman Act and various state antitrust laws. This case underscores the growing scrutiny of aftermarket restrictions and the broader "right-to-repair" movement. In June, the judge denied Deere's motion to dismiss. The case is active and moving forward with discovery.

New York AG Letitia James secured a judgment against Intermountain Management Inc. for anticompetitive conduct involving the acquisition of a ski resort and restrictive noncompete agreements. The judge ruled in favor of the AG, and remedies are pending but likely to include the sale of the resort.

FEDERAL ENFORCEMENT

While states pressed ahead on their own tracks, the FTC and Department of Justice (DOJ) recalibrated — moving away from a litigate-first stance toward structural remedies and negotiated settlements. The transition to the Trump administration ushered in a shift in enforcement philosophy. The agencies also reinstated early termination for uncontroversial Hart-Scott-Rodino reviews. This approach reflects a renewed emphasis on efficiency and predictability in merger review.

FEDERAL TRADE COMMISSION

While the Trump administration has introduced changes, some priorities remain the same. For example, the FTC continues to pursue restrictive labor market practices. In September, the FTC filed an enforcement action and proposed consent order against Gateway Services Inc., the largest pet cremation company in the U.S. The FTC alleged that Gateway required nearly all employees, executives and hourly employees alike, to sign noncompete agreements barring them from working anywhere in the pet cremation industry nationwide for one year after leaving the company. Under the proposed consent order, Gateway must stop enforcing existing noncompetes, notify employees that they are no longer bound, and refrain from imposing similar restrictions going forward, with narrow exceptions. Just a day later, the FTC voluntarily dismissed its appeals in the Fifth and Eleventh circuits, abandoning its effort to defend the Biden-era Noncompete Rule, which sought to ban most employment noncompetes nationwide.

The FTC also continued its campaign against improper patent listings in the Food and Drug Administration's (FDA) *Orange Book*, a tactic the FTC says is aimed at delaying generic drugs from entering the market. The Biden FTC initiated this effort with two rounds of warning letters to drugmakers and gave them 30 days to delist their drug(s) or certify compliance under penalty of perjury. Several companies withdrew patents after receiving the letters. In May 2025, the Trump FTC continued the practice and issued a third round of warning letters to seven major pharmaceutical companies, targeting more than 200 patents. So far, only one product listing has been updated, but the actions taken by the FTC signal that it remains an issue for the new administration.

Finally, during the waning days of the Biden administration, the FTC released *Antitrust Guidelines for Business Activities Affecting Workers*, which outlines practices that may violate antitrust laws in labor markets. The guidance was heavily criticized by then-Commissioner and now-Chairman Ferguson, but despite his criticisms, the guidelines remain in effect and have not been revoked.

DEPARTMENT OF JUSTICE

In May, the DOJ announced its comprehensive White Collar Enforcement Plan aimed at modernizing its approach to corporate crime. The initiative, outlined by the Criminal Division under Assistant AG Matthew Galeotti, emphasizes focus, fairness, and efficiency in enforcement. Galeotti described the policy changes as "turning a new page on white-collar and corporate enforcement" due to a perception that prior approaches have "come at too high a cost for businesses and American enterprise." The new approach attempts to reduce burdens while maintaining accountability, with revised policies on voluntary self-disclosure, monitor selection, and whistleblower awards. Priority areas for enforcement include some familiar topics, such as waste, fraud, and abuse, and others that are consistent with administration priorities, including tariff evasion.

EMERGING TRENDS AND OUTLOOK FOR 2026

Several themes have emerged in 2025 that will shape enforcement priorities this year. The Trump administration has signaled continued vigilance in labor markets, and companies should expect ongoing scrutiny of wage-fixing and no-poach agreements. Antitrust oversight of Big Tech remains robust, with investigations into advertising, app store practices, and data-driven market power. Finally, decentralized enforcement will persist as state AGs leverage their autonomy under the Venue Act to pursue cases in health care, agriculture, and consumer goods.

> The policy changes of the White Collar Enforcement Plan would be described as "turning a new page on white-collar and corporate enforcement" due to a perception that prior approaches have "come at too high a cost for businesses and American enterprise."
>
> **– Assistant AG Matthew Galeotti,** DOJ Criminal Division

Artificial Intelligence

Over the past year, state AGs intensified scrutiny of evolving generative artificial intelligence (AI) technologies through the lens of existing privacy, consumer protection, antitrust, and civil rights laws. AG AI-related priorities centered on child safety, consumer deception and misinformation, biased outputs, and unfair competition through AI-enabled pricing. Notably, a conflict between the federal government and state governments over AI governance was thrust to the forefront as a bipartisan coalition of dozens of AGs opposed federal attempts to preempt the enforcement of state AI laws.

In 2026, new state AI laws will take effect, and the federal/state conflict will likely persist. Regardless, AGs will continue utilizing traditional laws and further cement their status as primary AI regulators through coordinated multistate enforcement sweeps, increased demands for companies' AI governance documents, and technical collaboration among AI stakeholders to embed consumer safeguards.

STATE AGs SHARPEN AI PRIORITIES

In 2025, state AGs outlined their AI enforcement priorities, focusing on consumer protection, discrimination, and unfair competition. Multiple AGs — including those in California, Missouri, New Jersey, and Oregon — issued legal advisories explaining how existing state laws apply to companies' development and deployment of AI. These advisories warned that state UDAP statutes prohibit using AI systems to foster deception, disseminate misleading information, or falsely advertise AI capabilities. Civil rights and fair housing laws may also be violated when AI systems incorporate societal biases into decision-making. The AGs further cautioned that AI use in certain anticompetitive settings, such as automated price setting, can run afoul of state anticompetition laws.

State AGs also expressed deep concern over AI's potential harm to minors. In August, 44 state AGs sent a letter to 13 tech companies raising concerns that AI chats could expose children to sexualized content. In May, a coalition of 28 state AGs sent a similar letter to AI developers and deployers, alerting them to children being exposed to sexually explicit AI content. In September, California AG Rob Bonta and Delaware AG Kathy Jennings wrote an open letter to OpenAI expressing concern over "dangerous interactions" after a 14-year-old and a 16-year-old committed suicide following prolonged engagement with AI-powered chatbots. And in December, NAAG sent a bipartisan letter cosigned by 42 state AGs to several AI industry leaders expressing concern about "sycophantic and delusional" AI outputs, highlighting reports of disturbing and dangerous AI interactions with children. The AGs listed safeguards developers should implement to mitigate such risks and warned they could enforce existing state laws in this sphere.

In 2025, several state AGs engaged in formalized information gathering to better understand and regulate AI.

- In January, New Jersey AG Matthew Platkin announced the Civil Rights and Technology Initiative, addressing risks of discrimination and bias-based harassment from AI and other advanced technologies. The initiative focuses on preventing algorithmic bias under the New Jersey Law Against Discrimination and created the Civil Rights Innovation Lab to develop technology that bolsters enforcement, outreach, and public education related to AI.
- In April, the California, Colorado, Connecticut, Delaware, Indiana, New Jersey, and Oregon AGs signed a memorandum of understanding committing to regular meetings, shared priorities, and coordinated investigations and enforcement in the privacy space, which will include AI.
- In November, North Carolina AG Jeff Jackson and Utah AG Derek Brown, along with the AGA, announced a task force with generative AI developers — including OpenAI and Microsoft — to identify and develop consumer safeguards within AI systems as these technologies proliferate. The task force creates a mechanism for state AGs to work with technology companies, law enforcement, and AI experts to better insulate the public from AI risks as new systems come online, with a particular focus on child safety.

Together, these efforts demonstrate that AGs are increasing technical fluency and institutional capacity to better address AI governance issues.

STATE GOVERNMENTS AND THE FEDERAL GOVERNMENT DIVERGE

In 2025, a growing chasm emerged between the federal government and state governments over AI governance, including who should be primarily responsible and the appropriate level of regulation. In early 2025, the Trump administration sought to include a provision in the "One Big Beautiful Bill" that, among other things, would have imposed a 10-year moratorium on state laws that limit, restrict, or regulate AI systems. In response, a bipartisan coalition of 40 AGs sent a letter to Congress expressing strong opposition and arguing that the provision violates state sovereignty and impedes their consumer protection duties. Legislators ultimately removed the provision. Congress attempted to insert a similar provision in the National Defense Authorization Act of 2026, which was also ultimately stricken in the face of bipartisan opposition. However, in December President Trump signed an executive order titled "Ensuring a National Policy Framework for Artificial Intelligence" that establishes a national AI regulatory framework and attempts to preempt the enforcement of state AI laws. The order seeks to minimize a burdensome AI regulatory patchwork. Contemporaneously, a coalition of 36 state AGs issued another letter to Congress again expressing strong opposition to any law preempting the enforcement of state AI laws.

The federal government and states have also taken a divergent approach in how AI-enabled discrimination is regulated. At the federal level, Trump's Executive Order 14281 directed agencies to abandon disparate impact analysis in rulemaking and enforcement, limiting liability to intentional discrimination under many circumstances. In contrast, state AGs and state-level AI legislation are expressly attempting to regulate algorithmic discrimination by mandating impact assessments.

STATE AGs REMAIN DELIBERATE WITH PUBLIC INVESTIGATIONS AND AI ENFORCEMENT

AGs' public enforcement actions and investigations of AI use remained relatively sparse in 2025. However, the dearth of publicly disclosed formal actions does not indicate AG inaction. AGs were stridently vocal on AI and its effects, and indeed several states conducted "AI sweeps" targeting fraudulent investment schemes purportedly generated by or tied to AI.

AGs are likely undertaking confidential investigations consistent with their priorities as noted above, and such actions will likely accelerate as new state AI laws take effect in 2026. Still, AGs brought several notable AI-related actions in 2025.

- In May, the Pennsylvania arm of a Las Vegas-based rental management company paid the Commonwealth of Pennsylvania to settle allegations that its AI platform contributed to delays in repairs and rentals of unsafe housing.
- In July, Massachusetts AG Andrea Joy Campbell announced a $2.5 million settlement with a Delaware-based student loan company to resolve allegations that the company's lending practices — including the use of AI models — violated consumer protection and fair lending laws.
- In August, Texas AG Ken Paxton announced an investigation into AI chatbot platforms, for potentially engaging in deceptive trade practices and misleadingly marketing themselves as mental health tools that were potentially available to children.

LOOKING AHEAD TO 2026

Notably, AI-specific governance laws in California, Colorado, and Texas will take effect in 2026, giving AGs in those states additional tools to investigate AI development and deployment. However, companies must continue to monitor federal action in this area. The Trump administration is clearly committed to pursuing the preemption of AI-specific state laws. Expect state AGs to challenge such orders and laws should they take effect. Regardless, even with federal preemption, AGs will continue utilizing AI-agnostic consumer protection laws to scrutinize AI use. This includes, as noted, privacy laws, UDAP laws, antidiscrimination laws, and antitrust laws. As state AGs continue to coordinate through memoranda of understanding and task forces, they will also deepen technical engagement with AI developers to embed safeguards and strengthen misuse oversight. The laboratory of democracy is working at the state level to develop a regulatory framework, and state AGs are at the forefront of these efforts.

Consumer Financial Services

Throughout 2025, state AGs increased their efforts to enforce federal and state consumer protection laws in the financial services industry, in large part in response to the significant pullback in examination, enforcement, and other oversight activity at the federal level. We expect this state-level increase to continue into 2026, particularly because several state statutes and regulations have been introduced this year that impose more stringent consumer protection requirements on financial services companies and give state AGs broader authority to take action against these companies.

The actions by state AGs and state legislatures described herein demonstrate that states are continuing to focus heavily on traditional areas of consumer protection, such as pricing, fees, disclosures, fair lending, and UDAP, but that they are also looking to establish regulatory frameworks for new and alternative financial products, such as cryptocurrency. In addition to relying on laws that specifically address new and alternative products, state AGs have indicated that they will use their typically broad authority under state UDAP and other existing consumer protection laws to address developments in the financial services sector.

PRICING, FEES, AND DISCLOSURES

In May, Virginia passed a law introducing new requirements and prohibitions under the Virginia Consumer Protection Act, which Virginia AG Jason Miyares is primarily responsible for enforcing. The law targets the disclosure of mandatory fees and surcharges in consumer transactions by, among other things, requiring businesses to clearly and conspicuously display the total price of goods and services, including all mandatory fees and surcharges, in any advertisement or display. In addition, if the total price will be determined by consumer selections or preferences, the business must disclose factors that determine the final price, any mandatory fees and surcharges, and that the total costs may vary.

Also in May, New York AG Letitia James entered into settlements with eight Nissan car dealerships, for a total of $3.2 million with restitution to more than 1,700 consumers, resolving allegations that the dealerships overcharged New York residents who purchased leased vehicles at the end of their lease terms. The AG alleged that the dealerships overcharged consumers by impermissibly adding junk fees, such as dealership and administrative fees, and inflating vehicle prices on invoices. According to the AG, the dealerships' practices violated various laws and regulations, including the New York State Motor Vehicle Retail Leasing Act, Sections 349 and 350 of New York's General Business Law, and Section 63(12) of New York's Executive Law.

In September, the recently adopted consumer protection regulations by Massachusetts AG Andrea Joy Campbell took effect. The regulations prohibit junk fees and aim to increase price transparency, which, according to the AG, will help consumers understand the total cost of products and services and easily avoid and cancel unnecessary and unwanted charges. Among other things, the regulations require businesses to clearly disclose all costs and fees up front before collecting any personal information, ensure that total costs are prominently displayed, explain the nature, purpose, and amount of all additional charges, and provide instructions on how to avoid any optional fees. In addition, businesses must enable the easy cancellation of trial offers and subscriptions and prevent unnecessary charges. The AG originally announced the regulations in March, and in August issued guidance to help businesses comply.

In November, New York's Algorithmic Pricing Disclosure Act officially took effect, requiring businesses that use individuals' personal data to set prices for goods or services to disclose to consumers that the price "was set by an algorithm using your personal data." While the law applies broadly to entities domiciled or doing business in New York, it exempts certain financial institutions and insurance companies as well as certain types of offers from existing subscription-based relationships. James has authority to enforce violations of the law but first must issue a cease-and-desist letter and offer an opportunity for the entity at issue to cure the alleged violation. If an entity fails to cure, the AG can seek injunctive relief and a $1,000 penalty per violation. The AG has commented on the law, urging businesses to comply and consumers to file complaints regarding possible violations.

UNFAIR, DECEPTIVE, AND ABUSIVE ACTS AND PRACTICES

In April, Montana passed a law to enhance the state's Unfair Trade Practices and Consumer Protection Act, which became effective upon passage. The law expands the definition of unfair competition and deceptive practices to include false or misleading consumer reviews or testimonials, thus aligning state law with federal standards, with the goal of protecting consumers from being misled by false reviews that can affect their purchasing decisions. It also revises the statutes of limitations for filing actions related to unfair and deceptive practices, providing a five-year time frame for the Montana Department of Justice to bring an action and a two-year time frame for individuals to bring an action. Montana's Unfair Trade Practices and Consumer Protection Act is enforced by the Montana Department of Justice, which is led by Montana AG Austin Knudsen.

In March, the New York legislature introduced the Fostering Affordability and Integrity through Reasonable (FAIR) Business Practices Act, which was passed in June. Among other things, the act allows the state to pursue actions for unfair and abusive acts and practices, in addition to deceptive acts and practices (which the state could previously enforce). The act also expands the reach of the law, extending protections to small businesses and nonprofits in addition to individual consumers. Further, the act significantly increases the amounts for statutory damages and civil penalties. James, whose enforcement powers are significantly bolstered by the act, has strongly supported the act, explaining that it will protect New Yorkers from various schemes and scams, including deed theft, predatory lending, data breaches, and the improper use of AI. The AG has also stated that the act will help prevent a broad array of unfair and deceptive conduct, such as lenders deceptively steering consumers into higher-cost products, imposing unnecessary and hidden fees, and maintaining unfair billing practices. In addition to expanding the state's ability to initiate actions based on a broader array of conduct, the legislation directs courts to interpret the law's protections more broadly and its exceptions more narrowly.

In October, Pennsylvania AG Dave Sunday announced a court-approved settlement with American Mint LLC, a company that advertises and sells collectible merchandise. The AG investigated the company, in part based on hundreds of consumer complaints, and subsequently filed a lawsuit alleging that the company violated the Pennsylvania Unfair Trade Practices and Consumer Protection Law by advertising collectibles and engaging in sales that resulted in consumers not realizing that they were enrolled in subscription plans. The AG also claimed that the company did not clearly and conspicuously disclose the material terms and conditions of the subscription plans and failed to obtain consumers' express and informed consent to sign up for these plans, which constituted misleading and deceptive practices. Under the terms of the settlement, the company agreed to pay $750,000 to consumers, only enroll consumers in subscription plans after obtaining explicit consent, cease collection efforts for more than 180,000 consumer accounts, and discharge certain consumer debt.

FAIR LENDING

In May, Maryland AG Anthony Brown announced settlements with three real estate and property management companies — Maryland Management Co. Inc., Habitat America LLC, and American Management II LLC — which resulted in more than $310,000 in combined civil penalties and restitution. The settlements resolve allegations that the companies discriminated against applicants and tenants based on the use of housing vouchers and the presence of criminal records, in violation of both state and federal fair lending laws. The press release announcing the settlements highlighted that the efforts by the AG to enforce fair lending laws "come at a time when the federal government has become hostile to civil rights and federal agencies have abandoned fair housing initiatives."

In March, New Jersey AG Matthew Platkin and the New Jersey Division on Civil Rights (DCR) announced that DCR issued a finding of probable cause against Advance Funding Partners/Same Day Funding, a cash advance and consumer loan provider, alleging that it violated the New Jersey Law Against Discrimination by allegedly discriminating against consumers and employees. With respect to discrimination against consumers, DCR alleged that the provider maintained a policy of refusing to lend to certain individuals based on race, national origin, and nationality. These allegations were based in large part on messages directing sales staff not to do business with African, Chinese, or Spanish individuals, and other information suggesting that the provider refused to lend to certain protected classes.

CRYPTOCURRENCY

In March, James entered into an agreement with Galaxy Digital Holdings, a crypto investment firm, to resolve allegations that the firm engaged in misrepresentations when promoting an algorithmic cryptocurrency that ultimately failed and caused significant losses. The AG alleged that the firm purchased the cryptocurrency at a discount and then promoted the token, thus increasing its value, while also selling the token without disclosing the sale or the firm's intent to sell, in violation of New York's Martin Act and New York Executive Law Section 63(12). The token ultimately collapsed, wiping out more than $40 billion in market value. Under the terms of the agreement, in addition to implementing various policy changes, the firm agreed to a monetary penalty of $200 million to be paid out over three years.

In July, Florida AG James Uthmeier announced an investigation into Robinhood Crypto LLC, which provides cryptocurrency trading services, based on alleged violations of Florida's Deceptive and Unfair Practices Act. According to the AG, the company violated the law by falsely promoting its crypto platform as the cheapest way to buy crypto, when in fact evidence demonstrates that various other platforms offer less expensive services. The AG alleged that the company induces customers by promising to offer the "lowest cost on average" for trading cryptocurrency but that due to the company's payment-for-order flow its services end up being more expensive than those offered by competitors.

Gaming

State AGs took center stage in 2025 with impactful actions on gaming — from a united front against offshore gambling to individual actions clarifying fantasy sports legality and opposing the expansion of federally regulated prediction markets.

INTRODUCTION

State-level gaming saw heightened scrutiny and enforcement in 2025, with state AGs playing pivotal roles in safeguarding the integrity of legal markets. This year witnessed a rare bipartisan coalition of 50 state and territorial AGs urging federal action against illegal offshore gambling, a novel legal opinion by California AG Rob Bonta deeming daily fantasy sports unlawful, and a wave of state-level enforcement targeting prediction market contracts state authorities view as crossing the boundary between commodities and gambling. These measures by AGs came as multiple sports wagering scandals — including alleged insider-betting rings and game-fixing schemes — prompted calls for more regulatory oversight.

AGs URGE DOJ CRACKDOWN ON ILLEGAL OFFSHORE GAMBLING

In August, a bipartisan coalition of 50 state and territorial AGs sent a letter to the U.S. DOJ urging the department to prioritize enforcement against offshore online sportsbooks and casinos operating outside U.S. law. The coalition asserted that these offshore operators evade state licensing, taxes, and consumer-protection regulations; often lack age verification and problem-gambling safeguards; pose risks of fraud and money laundering; and undermine the integrity of state-sanctioned gaming.

The AGs pressed DOJ to invoke the Unlawful Internet Gambling Enforcement Act to pursue court injunctions blocking access to illegal gambling websites, seize or disable assets used by offshore operators, and collaborate closely with state regulators, banks, and payment processors to dismantle the financial infrastructure enabling illicit gambling.

CALIFORNIA AG OPINION DECLARES DAILY FANTASY SPORTS AS ILLEGAL GAMBLING

In July, Bonta's office issued a high-profile legal opinion concluding that Daily Fantasy Sports (DFS) contests constitute illegal gambling under California law. This determination carries significant weight, as the legality of DFS contests in California has long been a legal gray area, with ongoing civil litigation challenging major DFS companies under state antigambling laws. Bonta's opinion, echoing the position taken by some other state AGs in years past, took the position that unless the law is changed, online fantasy sports platforms cannot legally operate in California. The opinion's release was accompanied by indications that enforcement may follow, but the governor's disagreement with the AG on the legal status of DFS contests complicates any predictions on whether enforcement activities are likely to ensue.

STATES GRAPPLE WITH KALSHI AND PREDICTION MARKET SPORTS CONTRACTS

One of 2025's most complex gaming battles involved prediction market sports event contracts — an innovative but controversial offering that has sparked challenges between a federally regulated exchange and multiple state regulators. KalshiEX LLC (Kalshi), a Commodity Futures Trading Commission (CFTC)-regulated exchange specializing in event-based contracts, began offering contracts tied to sports outcomes. Kalshi's position is that these products are legal "swap" or derivative contracts subject to exclusive federal oversight by the CFTC. However, several states across the U.S. view Kalshi's sports contracts as unlicensed sports wagers in disguise, sold outside the bounds of state gambling laws and associated consumer protections.

This fundamental conflict — federal commodities law vs. state gambling restrictions — led to a flurry of legal actions in 2025, forcing several courts to determine whether Kalshi's sports contracts fall under exclusive federal jurisdiction or are subject to state gambling prohibitions. In September, Massachusetts AG Andrea Joy Campbell filed a lawsuit in state court, alleging that Kalshi was operating an illegal and "unsafe" sports wagering platform in the state. This lawsuit marked the first instance of a direct action against Kalshi brought by a state AG. Campbell's suit seeks an injunction to shut down Kalshi's sports contracts in Massachusetts unless and until the company obtains a state gaming license. In December, the U.S. District Court for the District of Nevada dissolved a preliminary injunction prohibiting the state from enforcing its gaming laws against Kalshi.

Separately, in early December, the CFTC approved a plan submitted by commodities futures trading platform Polymarket to resume limited U.S. operations through a registered intermediary, thereby permitting the platform to offer select real money event contracts. This action provides a more defined federal framework that states may look to when evaluating similar offerings, related marketing practices, or cross-border activity that reaches consumers in their jurisdictions.

SPORTS WAGERING SCANDALS UNDERSCORE INTEGRITY CHALLENGES

Several high-profile sports betting scandals in 2025 illustrated the darker side of gambling expansion and reaffirmed why vigilant enforcement by AGs and other authorities remains vital. In October, federal prosecutors unsealed indictments charging a network of individuals — including an NBA head coach and current and former players — with running a widespread illegal betting conspiracy that exploited insider information. Among those arrested were Portland Trail Blazers head coach Chauncey Billups and NBA guard Terry Rozier, whom authorities accuse of involvement in overlapping schemes to profit from rigged sports bets and illicit poker games tied to organized crime. FBI investigators described the scheme as an "insider trading saga" for the NBA, noting that coaches and players betrayed their positions of trust for gambling profits.

In 2025, we also saw the fallout from betting-related game manipulation at the collegiate level. In November, the NCAA announced that six former Division I men's basketball players were found to have committed violations by manipulating game outcomes or providing insider information to bettors. These cases spanned three universities — the University of New Orleans, Mississippi Valley State, and Arizona State — with each involved player engaging in point-shaving or tipping off gamblers, often in exchange for profit. The NCAA issued permanent bans on all six student-athletes, revoking their remaining eligibility due to the severity of the ethical conduct breaches. Notably, the announcement was followed in late November by an abrupt reversal of a proposed policy change that would have allowed NCAA college athletes and university staff to place wagers on professional sports.

These developments are likely to spark continued aggressive enforcement by federal and state authorities to protect sports integrity. State AGs often coordinate with federal authorities on these probes or pursue parallel state charges where applicable.

Health Care + Pharma

In 2025, state AGs intensified oversight across the health care supply chain, taking new and more robust enforcement actions and emphasizing state AG authority to respond to legislative changes that implicate health care.

With the bipartisan focus on consumer affordability — indeed "affordability" was identified by NAAG as its 2026 initiative — we expect scrutiny of the health care industry to continue this upcoming year. Health care entities should prepare for heightened and increasingly coordinated state AG scrutiny, including enforcement efforts around drug pricing, private equity (PE) transactions and care delivery, opioid abatement, and AI deployment, as well as other health care-related consumer protection issues that will continue to expand in sophistication and scope.

DRUG PRICING AND PBMs

Drug pricing remained a bipartisan enforcement priority, with AGs widening their lens beyond drug manufacturers to pharmacy benefit managers (PBMs), distributors, pharmacies, consultants, and PE. Industry consolidation has further prompted increased antitrust scrutiny.

State AGs continued to push for PBM transparency, focusing on spread pricing, steering, and rebate structures that increase patient costs. Kentucky AG Russell Coleman recently interpreted a PBM reform law to curb steering to affiliated pharmacies, while a multistate coalition urged federal limits on PBM pharmacy ownership.

PRIVATE EQUITY

AGs increased scrutiny of PE's influence in health care, focusing on whether consolidation and management structures affect cost, access, or quality. Massachusetts enacted a framework significantly expanding liability under its False Claims Act for owners and investors with an "ownership or investment interest," even when they did not directly cause violations but allegedly failed to address them. This broad approach underscores the importance of rigorous preacquisition diligence and strong portfolio-level compliance programs.

Other states advanced laws granting AGs new authority to review transactions, require advance notice of change-of-control deals, and probe management services organization arrangements and roll-ups. These tools position AGs to conduct deeper reviews of health care transactions outside the scope of traditional antitrust authority — particularly those involving PE.

ARTIFICIAL INTELLIGENCE

AGs sharpened their focus on AI deployment across health systems and payers, including clinical decision-support tools, prior-authorization workflows, claims-processing systems, and patient-facing chatbots. Key areas of inquiry included transparency (what the AI does and does not do), fairness (bias and disparate-impact risks), safety (hallucinations and guardrails), and governance (validation, monitoring, and override mechanisms).

PE-owned platforms drew added attention where AI appeared to reduce costs in ways that could affect quality or access. Several AGs requested documentation on model validation, vendor controls, and consumer-facing disclosures, signaling that AI governance will be a growing enforcement priority in the year to come.

BATTLE OF SCOPE OF PUBLIC NUISANCE DOCTRINE CONTINUES

State AGs remained deeply engaged in opioid-related enforcement and litigation, with public nuisance theories continuing to drive major disputes brought by states and political subdivisions. Courts diverged on how far nuisance can extend to lawfully manufactured products. For instance, the Ohio Supreme Court refused to apply public nuisance claims against national pharmacy chains, concluding that the cause of action was limited to interference with a common right in the context of real property. More recently, the Fourth Circuit, applying West Virginia law, concluded that West Virginia subdivisions could pursue claims against certain opioid distributors for an alleged oversupply of opioids. This split will shape 2026 litigation strategies, influencing how AGs frame any future claims against manufacturers, distributors, and pharmacies.

Ongoing litigation is expected to further test nuisance theories, and we will continue to watch whether other state legislatures will follow Montana's lead in codifying the boundaries of how far public nuisance can be stretched.

COMPANIES ADVERTISING GLP-1 ALTERNATIVES

State AGs have been cracking down on compounders and prescribers of weight loss injections, with Connecticut AG William Tong taking a lead role. First, Connecticut took action against online sellers marketing GLP-1 medications without prescriptions and allegedly advertising "research-grade" products without required licensure. Connecticut also warned clinics against marketing compounded GLP-1 drugs as "generic" equivalents of branded versions. Expect continued enforcement around licensure, marketing, and patient safety. More recently, in December, Connecticut sent cease-and-desist letters to weight loss spas that allegedly offered GLP-1 weight loss drugs as if they were FDA approved when they were not. Pushing for additional federal oversight, 38 states and territories sent a letter urging the FDA to increase enforcement actions against entities that are illegally participating in this market.

RESTRICTIONS ON EMPLOYMENT CONTRACTS

Consumer-facing practices drew robust scrutiny in 2025. AGs increasingly targeted employment practices viewed as coercive — particularly in health care. In August, Bonta, Colorado AG Phil Weiser, and Nevada AG Aaron Ford secured a $3.5 million settlement with a major multistate hospital system over training repayment agreements (TRAs) imposed on new nurses. The agreement permanently prohibits TRA practices, voids amounts owed, and requires removal of negative credit reporting, signaling a heightened AG focus on employment-related consumer protection issues.

MAHA MOVEMENT AND TEXAS TAKING CENTER STAGE

Several state AGs — not just Republican officeholders — have taken enforcement actions against pharmaceutical (and food) companies, scrutinizing product ingredients and marketing practices. Case in point: Texas AG Ken Paxton sued a pharmaceutical manufacturer over ineffective warning labels and secured a $41.5 million settlement from Pfizer and Tris Pharma for claims that the companies provided adulterated ADHD medication (Quillivant XR) to children on Medicaid and altered test results to hide manufacturing flaws.

Marketing + Advertising

In 2025, federal agencies and state AGs engaged in significant marketing and advertising enforcement, as regulations and legislation continued to develop throughout the U.S. Collectively, these developments have left companies harmonizing long-standing unfair and deceptive standards with new — and sometimes vacated — rules while navigating a growing patchwork of state mandates that push all-in pricing and "more-prescriptive" negative option practices.

DRIP PRICING AND JUNK FEES

Federal Action

Last year, the FTC issued a rule on unfair or deceptive fees, which continued a decades-long charge spearheaded by state AGs against junk fees. The FTC's rule targets hospitality and entertainment industries to ensure transparent pricing and advertising for consumers. The new rule also requires an up-front, clear, and conspicuous disclosure of the total price, which must be more prominent than other pricing information provided. In addition, the nature, purpose, and amount of any fees that have been excluded from the total price must be clearly and conspicuously disclosed. Additionally, in March 2025, Trump published an executive order to "combat[ ] unfair practices in the live entertainment market." Several actors have faced federal enforcement actions for allegedly failing to include all mandatory fees in their advertisements. In May, the FTC issued a warning letter to StubHub for failing to include all mandatory fees in the up-front advertised price.

State Action

States pressed forward with their own price-transparency legislation and regulations. California led the charge among the states in past years, with Massachusetts, Minnesota, and Virginia enacting junk fee legislation for all consumer goods and services in 2025. Legislation in Colorado, Connecticut, and Oregon becomes effective in 2026. Similar to the FTC, Maine pursued legislation targeting short-term lodging and ticketing, while Minnesota and North Carolina enacted legislation against ticket sellers. Although these states focus on different industries, they all primarily have targeted prominent displays of total prices inclusive of mandatory fees.

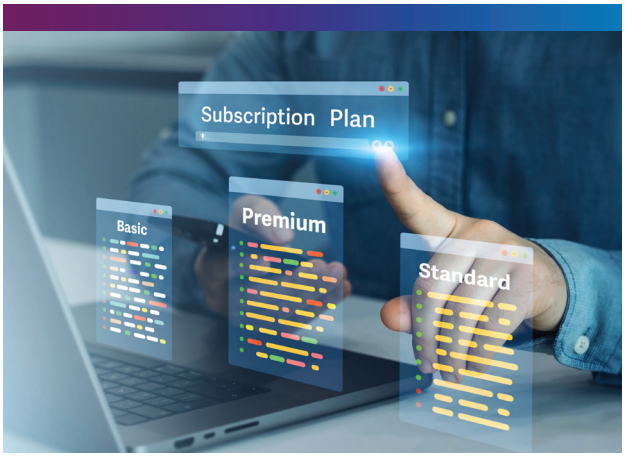
AUTOMATIC RENEWAL LAWS

Federal Action

At the federal level, marketing and advertising enforcement was defined by uneven trends as the FTC-revised Negative Option Rule, often called the "click-to-cancel" rule, was fully vacated by the Eighth Circuit on July 8, 2025, in *Custom Communications v. FTC*, on procedural grounds.

Even as the rule fell, the FTC maintained its subscription focus through the Restore Online Shoppers Confidence Act (ROSCA) and Section 5, emphasizing clear disclosures, unambiguous affirmative consent, and cancellation that is at least as easy as sign-up. Enforcement surged despite the rule vacatur. Several actors faced federal enforcement actions, including allegedly obstructive cancellation processes and unlawful advertising practices, such as cancellation procedures, among others. In August, Match Group agreed to pay $14 million and to overhaul its advertising, billing, and cancellation practices, and in September, the FTC announced a $7.5 million settlement with Chegg over alleged unlawful cancellation practices and postcancellation charges. Capping the year, the FTC secured a historic $2.5 billion settlement with Amazon over alleged Prime enrollment "dark patterns," combining $1 billion in penalties and $1.5 billion in customer redress alongside extensive conduct remedies.

Each matter underscores the same themes: disclosures that are clear and proximate, separate and affirmative consent to negative option features, and frictionless cancellation.



State Action

More than half of the U.S. has pursued similar automatic renewal laws to target automatic renewal provisions that are confusing or unclear for consumers. States have primarily focused on ensuring that businesses utilizing automatic renewal provisions include (1) clear and conspicuous initial disclosures of the service; (2) clear representation of all material facts and changes to the terms, if applicable; (3) adequate notice before confirming billing information; (4) consent and necessary acknowledgment for the automatic renewal service; (5) notice to the consumer of the upcoming automatic renewal agreement; and (6) cancellation procedures.

TAKEAWAYS FOR BUSINESS TO MITIGATE RISKS

- Companies should expect continued, if not stronger, FTC and state scrutiny centered on drip pricing and automatic renewal provisions due to the increased legislation and rulemaking.
- Companies should identify applicable laws to ensure their advertisements adhere to current and soon-to-be-effective legislation, including all-in pricing requirements, clear and conspicuous disclosure requirements, and auto-renewal/subscription requirements.

Privacy + Cyber

Across the U.S., consumer data privacy has been a priority for many state AGs, resulting in increased enforcement actions, new regulations, and coalition building. States that enacted consumer data privacy laws in prior years are now amending and enforcing them with stronger regulatory teams, focusing on discrete data categories, such as geolocation, minors' data, health care, biometrics, and financial records. State lawmakers from both red and blue states also increased their efforts to pass laws directed specifically at children's data privacy and safety issues, demonstrating that this is a bipartisan issue where increased enforcement is expected to continue.

CONSUMER DATA PRIVACY LAWS

Although states like Georgia, Massachusetts, Pennsylvania, and Vermont advanced bills out of a chamber, 2025 was the first year since 2020 without a state passing a new consumer data privacy law. Nonetheless, consumer data privacy laws in eight states went into effect in 2025 — specifically, Delaware, Iowa, Maryland, Minnesota, Nebraska, New Hampshire, New Jersey, and Tennessee. As of January 1, 2026, all 19 consumer data privacy laws passed to date will have gone into effect.

2025 also saw rights to cure expire in Colorado, Delaware, and New Hampshire, with Oregon and Minnesota's rights to cure expiring in January 2026 and New Jersey's right to cure expiring in July 2026. With effective dates passing and rights to cure expiring, regulatory authorities are increasing their enforcement efforts as well as their collaboration efforts, which we discuss further below.

Rulemaking

Perhaps the most notable development in privacy law in 2025 was the California Privacy Protection Agency (now called CalPrivacy) finalizing its rulemaking package on automated decision-making technologies, risk assessments, cybersecurity audits, insurance, and changes to the existing regulations. Effective January 1, 2026 — but with staggered effective dates running out for years — the rulemaking package requires businesses subject to the California Consumer Privacy Act (CCPA) to perform risk assessments for processing activities that can create a risk of significant harm to consumers, including the use of third-party tracking technologies. Many businesses subject to the CCPA also must conduct cybersecurity audits. On April 1, 2028, businesses will need to file certifications with CalPrivacy attesting — under penalty of perjury — that they have completed these tasks. Among other changes to the regulations, businesses also are now required to demonstrate to consumers that the business has recognized a consumer's Global Privacy Control (GPC) signal, such as through a pop-up confirmation when a consumer visits the business's website.

In addition to California, Colorado AG Phil Weiser and Platkin conducted rulemaking in 2025. Colorado finalized rulemaking to operationalize the children's privacy law amendments to the Colorado Privacy Act (CPA) enacted in 2024. Platkin initiated rulemaking to operationalize New Jersey's data privacy law. He published draft regulations and received stakeholder feedback but has not published revised or final regulations.

Amendments

Nine states amended their consumer data privacy laws in 2025, specifically California, Colorado, Connecticut, Kentucky, Montana, Oregon, Texas, Utah, and Virginia.

One of the trends that continued in 2025 was state lawmakers looking to laws that passed in other states and amending their state laws to incorporate provisions from those laws.

For example, Oregon became the second state after Maryland to ban the sale of precise geolocation data with HB 2008, an amendment to the Oregon Consumer Privacy Act. Oregon not only banned the sale of precise geolocation data, but also banned the sale of personal data for consumers under 16. Another amendment expanded the law to cover motor vehicle manufacturers and those that control or process data obtained from consumer vehicles.

In another example, Montana Senator Zolnikov's SB 297 made significant changes to the Montana Consumer Data Privacy Act inspired by developments in Colorado, Connecticut, Minnesota, and Oregon. Among other things, the amendment lowered the threshold of applicability, removed the right to cure, and adopted children's privacy provisions previously passed in Connecticut and Colorado. The amendment also revised the Gramm-Leach-Bliley exemption in line with recent developments in Oregon, Minnesota, and Connecticut.

The Connecticut Data Privacy Act also underwent significant modifications with Senator Maroney's SB 1295, effective July 1, 2026. The bill expands the scope of the law by lowering applicability thresholds and narrowing exemptions. The term "sensitive data" was extended to include financial and neural data. Under the amendment, consumers are granted additional rights, including the right to challenge the results of any profiling used in the context of an automated decision that has a significant impact on the consumer. The bill also creates new requirements for conducting impact assessments for certain types of profiling activities and requires controllers to disclose if they are using personal data to train large language models.

Colorado added "precise geolocation data" to its definition of sensitive data. This amendment also modified the Colorado Privacy Act (CPA), barring controllers from selling consumers' sensitive data unless they first obtain affirmative opt-in consent; while the CPA already covers sales within "processing" data, the amendment clarifies the requirement.

In California, the Opt Me Out Act amended the CCPA to require businesses that develop and/or maintain browsers to include an easy-to-find and easy-to-use setting that allows consumers to enable an opt-out preference signal. This law is the first of its kind in the nation. Last year, California Gov. Gavin Newsom vetoed a similar proposal due to its application to mobile operating systems. The current bill has been trimmed to focus exclusively on browsers, which the bill defines as "interactive software application[s] that [are] used by consumers to locate, access, and navigate internet websites."

Utah amended its law to give consumers the right to correct inaccurate data, aligning the state's law with those of other states. The bill also enacted the Utah Digital Choice Act, which aims to establish clear rules for social media platforms when Utah consumers exercise their data portability rights, including interoperability standards.

Even before its law went into effect, Kentucky amended its law to exempt information collected by health care providers covered by HIPAA and modify the data protection impact assessment requirement.

Virginia added new social media restrictions to its Consumer Data Protection Act. The amendment requires social media platforms to use "commercially reasonable methods" to determine whether a user is under 16. For users under 16, the platform must limit the use of its application to one hour per day, or more or less, depending on parental input.

Finally, although primarily focused on regulating the use of AI, the Texas Responsible Artificial Intelligence Governance Act amended the Texas Data Security and Privacy Act to require contracts between controllers and processors to include provisions requiring processors to assist controllers with compliance related to personal data collected, stored, or processed by AI.

CHILDREN'S PRIVACY LAWS

In 2025, lawmakers continued to pass laws specifically related to the protection of children's privacy. Lawmakers in Arkansas, California, Connecticut, Louisiana, Montana, Nebraska, Oregon, Texas, Utah, and Vermont passed laws or amendments to existing laws relating to the protection of children's data. These laws often differ widely from one another, making compliance in this area a significant undertaking.

Connecticut's amendments to its existing law prohibit the sale of minors' personal data and targeted advertising to minors regardless of consent and refine the "heightened risk of harm to minors" definition by requiring "material" financial, physical, reputational, or intrusion harms. Oregon lawmakers amended the state's privacy law to prohibit targeted advertising, profiling, and the sale of personal data when a controller has actual knowledge or willfully disregards that a consumer is between the ages of 13 and 15 and to ban the sale of precise geolocation data.

Nebraska and Vermont both passed Age-Appropriate Design Code (AADC) acts during their 2025 legislative sessions, aiming to craft a design code law that can withstand First Amendment challenges. The laws significantly differ from each other as well as from California's AADC act, which is currently enjoined as unconstitutional. Maryland's AADC act is also under judicial review, based primarily on a First Amendment challenge from an internet trade association.

Effective July 1, 2026, Arkansas' Children and Teens' Online Privacy Protection Act limits data collection to context-consistent or legally required purposes, caps retention to what is reasonably necessary, and bars collecting personal data for targeted advertising or allowing others to do so unless consistent with those minimization rules. Operators with actual knowledge of teen data collection must obtain parental or teen consent for the collection, use, or disclosure of data, except for specified activities (such as providing a requested service, internal operations, fraud prevention, or legal compliance). The law also requires privacy notices, grants individuals the right to deletion and correction, and is enforceable by the AG.

Louisiana, Texas, and Utah each passed app store accountability laws in 2025. These laws require mobile application stores and developers to verify users' ages and implement safeguards based on the users' ages. California lawmakers also passed a similar-in-kind law directed at operating system providers sending age signals to app developers. Texas' law was to go into effect on January 1, 2026, but it was enjoined on constitutional grounds on December 23, 2025.

New protections for minors' personal data under the CPA took effect on October 1, 2025, and will apply to any business operating in or targeting Colorado. If a company offers online services to users it knows or willfully disregards are minors, it must take reasonable steps to avoid harming them and, in higher-risk situations, complete a data protection assessment. Without consent from the minor (or from a parent/guardian if the child is under 13), the business cannot sell the minor's data, use it for profiling, repurpose it, keep it longer than needed, use features that are designed to keep minors engaged, or collect precise location data.

California also expanded protections for children's privacy through its new regulations, which amended the CCPA's definition of sensitive personal information to include "[p]ersonal information of consumers that the business has actual knowledge are less than 16 years of age."

YEAR OF INCREASED COORDINATION AND COLLABORATION

In 2025, cross-jurisdictional collaboration shaped privacy enforcement in the state AG space. In April, state AGs from California, Colorado, Connecticut, Delaware, Indiana, New Jersey, and Oregon as well as CalPrivacy announced the Consortium of Privacy Regulators. Two more states, Minnesota and New Hampshire, joined the consortium in October. According to CalPrivacy, the consortium meets regularly and coordinates enforcement based on the members' common interests.

In September, CalPrivacy combined forces with California AG Rob Bonta, Colorado AG Phil Weiser, and Connecticut AG William Tong for a joint regulatory sweep targeting businesses' compliance with laws requiring recognition of opt-out preference signals and universal opt-out mechanisms that allow consumers to exercise their right to opt out of online tracking technologies. In particular, the sweep revolved around determining whether companies are recognizing and honoring the GPC signal. GPC is a browser-level signal sent to a website, telling the business to opt the user out of online sales or targeted advertising.

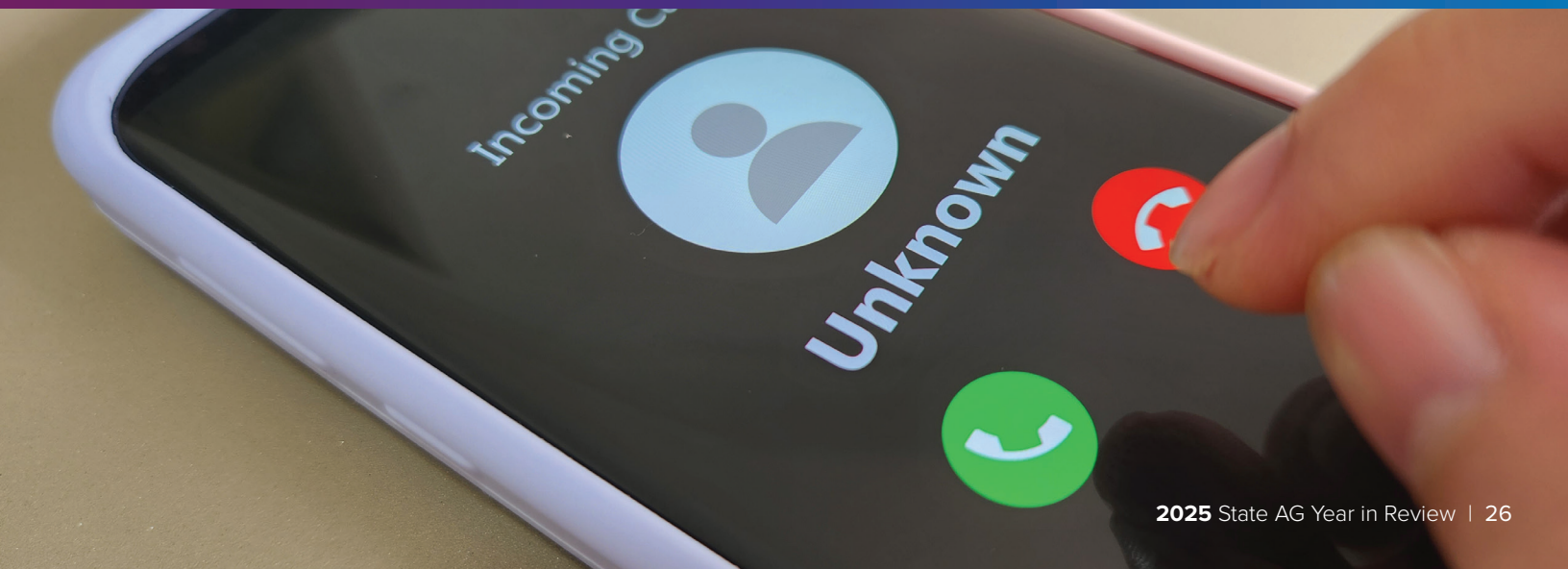
In another instance of cross-jurisdictional collaboration, the Anti-Robocall Litigation Task Force announced Operation Robocall Roundup in August. To stop the alleged proliferation of illegal robocalls, in 2022, 51 AGs formed this bipartisan task force to investigate and take enforcement action against the companies allegedly behind the calls. The task force sent warning letters to 37 voice service providers, requiring each to stop any robocalls from being routed through its network. It warned an additional 99 telecommunications companies to cease routing calls for voice service providers.

INVESTIGATIONS, ENFORCEMENT, AND AG ACTION

As additional consumer data privacy laws take effect and become enforceable, state AGs are stepping up investigations and legal actions against businesses for alleged privacy violations. Texas filed the first lawsuit under a comprehensive state data privacy statute back in January. The Texas Data Privacy and Security Act (TDPSA) creates heightened protections for Texans' sensitive data. The lawsuit alleged that an insurance company violated the TDPSA by collecting, using, and selling Texans' precise geolocation data via a software development kit embedded in its mobile application, without consumer consent.

On July 28, New Jersey emphasized the importance of the New Jersey data deletion law, N.J.S.A. § 56:12-18.1, by issuing a reminder of the law's obligations to over 3,000 auto dealerships. The New Jersey Division of Consumer Affairs explained that while consumers are aware of the data privacy risks associated with discarding a cellphone or laptop, fewer are aware that their vehicles also store similar types of data. While the law is the first of its kind, businesses should keep an eye out for the development of similar laws in other jurisdictions as connected devices increasingly collect, store, and process consumer data.

Geolocation data was the target of an investigative sweep initiated by Bonta back in March. The sweep targeted the location data industry to determine whether it was compliant with the CCPA. Essentially, mobile app providers can collect consumer location data and sell it to advertisers and data brokers. Bonta's concern was whether the covered businesses were complying with consumers' requests to opt out of the sale, sharing, or use of location data under the CCPA. As geolocation data reveals individuals' movements and sensitive locations,



posing security risks if sold or misused, businesses must comply with the CCPA and implement defensible safeguards to protect it.

State AGs intervened in a highly publicized class action lawsuit against Clearview AI (Clearview), a developer of facial recognition software, by filing *amici* briefs opposing a proposed settlement. Clearview's settlement granted class members a contingent equity interest, valued at $51.75 million at the time of the deal, rather than a guaranteed payout. State AGs objected to the lack of certainty. The settlement also created a dilemma for AGs: Obtaining an injunction or pursuing enforcement could weaken the company and diminish the class's recovery, yet the value to consumers depends on Clearview continuing the very conduct alleged to be unlawful. They also questioned whether Clearview's business model aligns with constitutional privacy rights. Despite the AGs' objections, a federal judge in the Northern District of Illinois approved the settlement in October.

When the genetic testing company 23andMe Inc. (23andMe) filed for bankruptcy in March, AGs intervened to prevent the potential dissemination of genetic data. Some states issued consumer alerts encouraging consumers to act by revoking their prior consent to use genetic data and requesting that the company delete their data and destroy any on-hand genetic material. In June, 27 states and Washington, D.C., filed a lawsuit in bankruptcy court to block any sale of the genetic data held by the company. The company was eventually sold to TTAM Research Institute, which has agreed to honor 23andMe's existing privacy policies and expand them as necessary.

Bonta announced a notable settlement with Healthline Media LLC (Healthline), a publisher of health and wellness articles. California alleged that Healthline's online tracking technology violated the CCPA by failing to honor consumers' opt-out requests regarding the selling and sharing of personal information for targeted advertising. This settlement reflects California's increased scrutiny of company privacy practices in compliance with the CCPA, as regulators now examine the nuances of data processing and the real-world applications of businesses using consumer information.

California settled with several other entities regarding alleged violations of the CCPA. Bonta secured a $1.4 million settlement with Jam City Inc., a mobile gaming company, for failing to provide a way for consumers to opt out of the sale or sharing of personal information. Jam City must now offer an in-app opt-out option and cannot sell or share the data of consumers aged 13-16 without their affirmative consent. Bonta also achieved a settlement with an internet-based live TV and streaming service for $530,000 due to its insufficient opt-out mechanisms and protections for children.

CalPrivacy has also been active in securing settlements. On September 30, it announced an enforcement action against Tractor Supply Co., in which the agency secured a $1.35 million fine and a commitment by the company to further develop specific aspects of its privacy compliance program. This enforcement action is illustrative of several key lessons that businesses must consider when navigating privacy regulations, including the importance of recognizing and remedying the most easily addressed privacy issues. Further analysis on the lessons to be learned from this action may be found here.

CalPrivacy also secured nearly $350,000 from a national clothing retailer based on the retailer's failure to properly manage its privacy portal by failing to process opt-out requests for 40 days and imposing unnecessary and burdensome requirements on consumers seeking to exercise their privacy rights. CalPrivacy also fined a car manufacturer over $630,000 arising out of deficiencies in its consumer request process and failure to have CCPA-compliant data processing agreements in place.

The agency has also been aggressive in enforcing California's Delete Act, which requires data brokers to register and pay an annual fee to fund the California Data Broker Registry. Registration fees from data brokers also fund the development of the Delete Request and Opt-Out Platform, or DROP, to allow consumers to request that data brokers delete their personal information with a single request. The agency entered settlements with five data brokers in 2025, with fines ranging from $46,000 to $56,600. However, the risk of noncompliance will skyrocket in August 2026 when DROP goes into effect, with data brokers subject to fines of $200 per day for

each deletion request they fail to process. In November, the agency launched a Data Broker Enforcement Strike Force dedicated to investigating alleged privacy violations committed by data brokers. An advisory was issued in December, intended to address data broker registration requirements related to trade names, websites, and parent or subsidiary relationships.

July saw Connecticut announce the state's first public enforcement action under the Connecticut Data Privacy Act (CTDPA) against ticket retailer TicketNetwork Inc. (TicketNetwork). Tong fined TicketNetwork $85,000 as a result of the company's failure to comply with the law's requirements. In November 2023, Tong issued a cure notice to TicketNetwork, alleging that the website had an unreadable privacy policy, omitted data rights disclosures, and lacked functional access, correction, and deletion mechanisms. As a result of the settlement, TicketNetwork agreed to pay the fine, bring its privacy practices into compliance with the CTDPA, report metrics on the number of consumer data rights requests received, and be subject to oversight by the Connecticut AG's office.

CHILDREN'S PRIVACY

In 2025, state AGs continued to prioritize issues related to children's online data privacy. The focus on children's data is manifest in public statements by AGs, settlements, enforcement actions, legislation, and rulemaking. The regulatory focus will not only persist but is likely to gain momentum through 2026.

In April, Michigan AG Dana Nessel sued Roku Inc., a smart TV device provider and streaming service, based on allegations that Roku violated the Children's Online Privacy Protection Act (COPPA), federal and state privacy laws, the Michigan Consumer Protection Act, and other laws. Such allegations are based on Roku's collection of children's personal data and its sale without parental consent. On July 14, Roku filed a motion to dismiss all claims except the COPPA claim, arguing that it lacked standing and that the claim failed to state a cause of action. Roku claims that the AG cannot "have it both ways" by alleging that Roku both collects children's data alongside their parents' and simultaneously collects user-level data tied to a specific child. Roku argues that because "Roku accounts (tied to adult registrant information) can be shared by multiple users, that Roku does not use individual user profiles or know the identity of those users outside of the registered accountholder, and Roku collects data without distinguishing between users or their age." The case remains ongoing; an in-person hearing on the motion to dismiss occurred on November 19, 2025.

Florida followed Michigan's lead by filing a lawsuit against Roku in October. Uthmeier alleges that Roku and its Florida-based subsidiary violated the Florida Digital Bill of Rights and the Florida Deceptive and Unfair Trade Practices Act. Florida limited its lawsuit to the Florida privacy law. The complaint alleges that Roku collected, sold, and allowed for the reidentification of sensitive personal data from children; these allegations regarding Roku's conduct are similar in kind to those in the Michigan lawsuit.

Other states have also taken action to protect children's online privacy. On November 6, Bonta, Tong, and James announced a $5.1 million settlement with Illuminate Education Inc. (Illuminate). Illuminate provides software used by K-12 schools to track student attendance, grades, and more. Between December 2021 and January 2022, a threat actor stole sensitive information from over 4.7 million students. This settlement reflects intensified scrutiny of companies handling minors' data. It reinforces the need to comply with state laws and COPPA requirements such as age verification, parental consent, and robust access controls.