

Wiley Consumer Protection Download (July 1, 2025)

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Welcome to Wiley's update on recent developments and what's next in consumer protection at the Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), and at the state level.

Wiley also has launched a Trump Administration Resource Center and Resource Guide to track Executive branch priorities during the second Administration of President Trump. With Wiley's deep-rooted understanding of Washington and today's evolving regulatory landscape, the Resource Center and Resource Guide provide critical insights, actionable intelligence, practical solutions, and guidance across key industries to help businesses stay ahead of the curve and manage challenges in 2025 and beyond. Please reach out to any of our authors with any questions about recent Trump Administration actions and the potential impact on regulations or enforcement activity.

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Federal and State Regulatory Announcements

New York Legislature Passes FAIR Business Practices Act. On June 18, the New York state legislature passed the Fostering Affordability and Integrity through Reasonable Business Practices Act (FAIR Business Practices Act), marking the first update to New York's

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Practice Areas

Cyber and Privacy Investigations, Incidents & Enforcement
FTC Regulation
Privacy, Cyber & Data Governance
Telecom, Media & Technology

consumer protection laws in over 40 years. Among other important changes, the FAIR Business Practices Act would prohibit not only “deceptive” acts or practices, but also “abusive” and “unfair” acts or practices. The FAIR Business Practices Act also expands the New York Attorney General’s (AG) consumer protection responsibility to “businesses and non-profits as well as individuals.”

The FAIR Business Practices Act’s definition of “unfair,” which is based on the FTC Act’s definition, provides that an act or practice is unfair if it “causes or is likely to cause substantial injury which is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition.” And the FAIR Business Practices Act defines an “abusive” act or practice as one that “materially interferes with the ability of a person to understand a term or condition of a product or service” or “takes unreasonable advantage of (A) a lack of understanding on the part of a person of the material risks, costs, or conditions of a product or service; (B) the inability of a person to protect such person’s interests in selecting or using a product or service; or (C) the reasonable reliance by a person on a person engaging in the act or practice to act in the relying person’s interests.”

The FAIR Business Practices Act has not yet been signed by Governor Hochul.

Texas Governor Signs AI Governance Act into Law. On **June 22**, Texas Governor Greg Abbott signed the Texas Responsible Artificial Intelligence Governance Act (TRAIGA) into law. The law places a notice requirement on “governmental agenc[ies]” that use an “artificial intelligence system” to interact with consumers before or during the interaction. TRAIGA defines “artificial intelligence system” as “any machine-based system that, for any explicit or implicit objective, infers from the inputs the system receives how to generate outputs, including content, decisions, predictions, or recommendations, that can influence physical or virtual environments.” Government entities are prohibited from using AI systems for social scoring and biometric identification of specific individuals without consent.

The law also prohibits the development and deployment of AI systems for certain criminal and harmful activities, amends existing privacy laws to address AI-specific issues, and establishes the Texas Artificial Intelligence Council and creates a regulatory sandbox program for artificial intelligence systems.

Select Federal Enforcement Actions

FTC Sues Disorder Treatment Clinics and Executives for Allegedly Deceptive Business Practices. On **June 24**, the FTC filed a complaint in the U.S. District Court for the District of Maryland against eight companies and their executives for alleged violations of the FTC Act, Opioid Addiction Recovery Fraud Prevention Act, and Impersonation Rule. The FTC alleged that the defendants misled consumers by using online search ads displaying their own phone numbers alongside other, unrelated substance abuse disorder clinics and subsequently representing themselves as whichever clinic a consumer intended to call. The FTC seeks injunctive and monetary relief.

FTC Settles with Online Business Opportunity Company and Its Owners for Allegedly Deceptive

Advertising. On **June 23**, the FTC filed a stipulated order in the U.S. District Court for the Central District of California to settle claims against a company that sells business opportunity programs and its owners for alleged violations of the FTC Act and Business Opportunity Rule. In its September 2024 complaint, the FTC alleged that the defendants advertised passive income e-commerce opportunities if customers purchased their services, which were powered by AI tools. The court granted the FTC's request for a temporary restraining order on September 13. The defendants have agreed to pay a \$25 million monetary penalty in addition to injunctive relief.

Select State Enforcement Actions

California DFPI Enters Into Consent Decree with Crypto Kiosk Operator. On **June 25**, the California Department of Financial Protection & Innovation (DFPI) entered into a consent decree with a crypto kiosk operator for alleged noncompliance with the state's Digital Financial Assets Law (DFAL). The DFPI's investigation allegedly revealed that the crypto kiosk operator violated DFAL's transaction limit prohibiting crypto kiosks from accepting or dispensing to consumers more than \$1,000 in a day. According to the consent decree, the crypto kiosk operator also allegedly failed to make certain disclosures, as required by law. The crypto kiosk operator agreed to pay a \$300,000 fine, including \$51,700 in restitution to an elderly California resident.

Colorado AG Sues Repair Company for Alleged Bait-and-Switch Tactics. On **June 23**, the Colorado AG announced that it filed a complaint against a repair company in the U.S. Bankruptcy Court for the District of Colorado to prevent the company from discharging debts owed for alleged violations of the Colorado Consumer Protection Act (CCPA). Specifically, the complaint alleges that the repair company violated the CCPA by offering false and misleading repair quotes to consumers, failing to adequately disclose certain fees, imposing and pressuring consumers to pay unlawful penalties, and failing to deliver promised services or refund consumers within a reasonable time. The complaint requests a determination that the repair company's unpaid liability to the State of Colorado is not dischargeable and that the injunctive relief set forth in the complaint is outside the scope of the company's bankruptcy discharge, among other things.

Illinois AG Settles with Staffing Company for Alleged Use of No-Poach Agreements. On **June 27**, the Illinois AG announced a settlement with a temporary staffing agency for allegedly violating the Illinois Antitrust Act by entering into no-poach agreements and engaging in wage-fixing with other staffing agencies. The settlement requires the staffing agency to pay \$1 million to compensate impacted workers, along with other actions.

Maryland AG Settles with Local Event Promoter for Alleged Unpaid Refunds. On **June 26**, the Maryland AG announced a settlement with a local event promoter for allegedly violating the Consumer Protection Act by failing to refund customer payments for 2021 and 2022 cruises that were canceled due to the COVID-19 pandemic. The settlement requires the event promoter to return nearly \$60,000 in fees owed to consumers, pay \$50,000 to the Attorney General's office, and purchase cancellation insurance to ensure that in any future mass-cancellation event, consumers who purchased cruise tickets will receive prompt refunds.

Maryland AG Issues Final Order for Alleged Misrepresentation and Failure to Provide Services. On **June 18**, the Maryland AG's office announced that it had issued a Final Order against a home improvement contractor for allegedly violating the Consumer Protection Act by failing to finish or provide refunds for home improvement projects that consumers had already paid for. The Final Order requires the home improvement contractor to pay \$2,007,459.27 in restitution and \$2,452,000 in penalties. The Final Order also prohibits the contractor from operating in Maryland unless they first post a \$1 million surety bond with the Consumer Protection Division.

Upcoming Events and Comment Deadlines

FTC Announces Workshop on Exploring Unfair or Deceptive Trade Practices in Gender-Affirming Care for Minors. The FTC will hold a virtual workshop titled "The Dangers of 'Gender Affirming Care' for Minors," on **July 9**. The agenda is available [here](#).

More Analysis from Wiley

Chambers USA 2025 Recognizes Wiley Partners and Practices

Texas Responsible AI Governance Act Enacted

FTC Reviews Its Approach to Kids' Online Activity – What Comes Next?

FTC Sends Warning Letters to 37 Eyeglass and Contact Lens Prescribers Over Possible Rule Violations

President Trump's Cyber Mandate: Analysis of Executive Order on Strengthening U.S. Cybersecurity

Privacy, AI, and Consumer Protection Takeaways from FTC Chairman's House Testimony

Webinar: Navigating FTC Health Care Advertising and Privacy Compliance in the Trump Administration: Key Insights for Health Service Providers

State Privacy Enforcement Ramp-Up Continues with New Actions in California and Texas

'Click to Cancel' Rule Kicking In, and All Signs Point to Stiff Enforcement

Trump Directs FTC to Lead Government-Wide Rescission and Modification of Anticompetitive Federal Regulations

5 Key Privacy Enforcement Insights Shared by State Regulators at IAPP's #GPS25

FTC Commissioner Holyoak Highlights Privacy Priorities in IAPP Keynote

Crypto Advocacy in Action: A Conversation with Coinbase's Nick Carden

Virginia Enacts Amendments to Consumer Protection Act

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

Trump Administration Revamps Guidance on Federal Use and Procurement of AI

Key Takeaways from the California Privacy Agency's First CCPA Enforcement Action

What Comes Next at the FTC, After Removal of Two Commissioners

What to Expect from New FTC Leadership on Digital Health Care

March Privacy Forecast: A Weekly Series

New DOJ Restrictions on Cross-Border Data Transactions Take Effect April 8: Ten Questions as Your Business Prepares to Comply

FTC Adopts Amended Children's Online Protection Act Rule

FTC Announces Rule on "Junk Fees" and Pricing Disclosures in Certain Industries

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