

## State Watch: Consumer Protection Enforcement Update

April 22, 2026 | [Anastasia V. Caton](#)

Spring Break? More like Spring Fling! This month, from Alaska to Iowa to Montana and beyond, the states flexed their UDAP muscles, going after bait-and-switch advertising, the sale of consumer data, and solar installation and finance practices. The big story: a bipartisan multistate lawsuit against an installment lender over its optional product sales practices.

### Alaska

Alaska Attorney General Cox [settled](#) with a vehicle dealership group over its advertising and sales practices, including, according to the AG, advertising vehicles not available for purchase, refusing to honor advertised prices, and requiring consumers to purchase add-on products that were not included in the advertised price. The dealerships agreed to pay a civil penalty of \$800,000, with an additional suspended penalty of \$200,000 if the dealers engage in reckless or persistent violations of Alaska's consumer protection laws in the next three years.

### Colorado

Colorado Attorney General Weiser became the next state AG to reach a [settlement](#) with a real estate brokerage over its long-term homeowner benefit agreements. Under the terms of the HBAs, according to the AG, homeowners agreed to give the company exclusive rights to list their home if they sold it in the future in exchange for a small, up-front payment. Under the terms of settlement, all of the HBAs with Colorado consumers are void and unenforceable, the company is permanently enjoined from collecting any related fees or payments, and all documents recorded against Colorado homeowners' properties must be fully released at no cost to consumers. The settlement agreement includes strict timelines for these actions. The company must also pay \$600,000 in consumer restitution, \$450,000 in civil penalties, and \$50,000 in attorneys' fees. The civil penalties and attorneys' fees are suspended as long as the company complies with the terms of the settlement agreement and pays the restitution amounts.

### Iowa

Iowa Attorney General Bird became the latest state to [sue](#) a large vehicle manufacturer and its affiliate over their data collection and sharing practices. AG Bird claims that the companies collected driving data from consumers, without their consent, including speed, seatbelt usage, and location information. Then, the AG claims, the companies sold that information to data brokers, who later sold it to insurance companies. AG Bird further alleges that the insurance companies then used the data to, in some instances, raise consumers' premiums or drop them from their policies altogether. The AG brought the

case under Iowa's Consumer Fraud Act. The complaint seeks restitution, civil penalties, and injunctive relief.

## **Maryland**

Maryland Attorney General Brown, along with the Federal Trade Commission, settled a case with a vehicle dealer group for, according to AG Brown and the FTC, selling vehicles for more than the advertised price and for certain practices related to the sale of optional products. Under the terms of the settlement, the dealers must refund consumers for any amounts paid in excess of the advertised price. For one dealership in the group, the dealer must refund the amounts consumers paid for any optional products that consumers did not agree to purchase or which they believed were required. This could amount to \$75 million in consumer refunds. The dealers also agreed to pay the Maryland AG's office \$3.1 million. The consent order includes injunctive relief as well, prohibiting the dealers from making certain misrepresentations about the price of vehicles and whether any fees or charges are optional or mandatory.

## **Montana**

Montana Attorney General Knudsen announced an investigation into two vehicle manufacturers to determine whether their sale of driver data to third parties, including insurance companies, violates Montana's Consumer Protection Act. In his press release, AG Knudsen noted that he believes that consumers may not be aware that their driving data is being collected and sold. AG Knudsen claims that the collection and sale of the data without consumers' knowledge would violate Montana law.

## **New Mexico**

New Mexico Attorney General Torrez obtained a \$375 million dollar jury verdict against a large social media company for its misleading claims about the safety of its platforms and endangering children. New Mexico was the first state to obtain an award against the company based on these claims. The AG brought the case under the state's Unfair Practices Act, winning the maximum per violation penalty of \$5,000.

## **New York**

New York Attorney General James sued a residential solar installation company and its lending partners for certain sales and financing practices that AG James claims were deceptive and violated the federal Truth-in-Lending Act and Regulation Z. Specifically, AG James claims that the installer deceptively marketed solar products and services to low income consumers and seniors on fixed incomes by claiming that government incentives and programs were available to cover the cost of installation. Further, AG James alleges that the lending partners defrauded consumers and violated federal credit disclosure laws by charging hidden fees and understating the cost of credit. The lawsuit seeks restitution and damages for consumers, an order voiding the installer's and finance companies' agreements with consumers, injunctive relief, and civil penalties.

## **Multistate**

A bipartisan coalition of state attorneys general sued an installment lender, claiming that the company advertised affordable loans but aggressively sold optional products to consumers, significantly increasing the cost of credit (effectively, bait and switch advertising). The AGs further claim that the

company's employees were incentivized to sell the products and to rush through closing in a way that obscured the terms of credit. Then, the AGs argue, the company encourages borrowers to refinance their loans multiple times, charging fees and selling additional optional products upon refinance. The AGs allege violations of the federal Consumer Financial Protection Act and numerous state unlawful trade practices laws. They are seeking restitution for affected consumers, civil penalties, disgorgement, and injunctive relief, including removal of negative credit reporting and ceasing collecting activity on the optional products. The coalition includes the attorneys general of Colorado, New York, Maryland, Nevada, New Hampshire, New Jersey, North Dakota, Oklahoma, Pennsylvania, South Dakota, Virginia, Washington, and Wisconsin.

Join us for our next quarterly update on state enforcement on Tuesday, May 19 at 2:00 pm ET. Click [here](#) to register for the webinar. Click [here](#) to learn more about Hudson Cook's State Enforcement Practice.

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