

AG Watch: Minnesota Takes Action To Secure Child Safety

By **Toni Michelle Jackson and Tiffany Aguiar** (October 22, 2026, 5:04 PM EDT)

Minnesota Attorney General Keith Ellison has built one of the most aggressive and structurally coherent child protection enforcement programs in the country. In roughly 10 weeks this summer, his office:

- Filed suit against a flavored e-cigarette manufacturer;
- Went to trial in a landmark federal social media case and secured what is now the largest Big Tech settlement in American history; and
- Successfully defended a state law banning artificial intelligence-generated sexual imagery of children against two successive constitutional challenges.

These actions reflect an intentional enforcement architecture targeting consumer-facing sectors that Ellison's office has concluded prey on minors: tobacco and nicotine, social media platforms, and AI.

Corporate counsel advising clients whose products touch the under-18 demographic — whether through design, marketing, data collection or distribution — should take heed.

The Meta Trial and Settlement: A \$17.1 Billion Benchmark

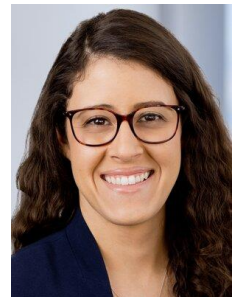
On Aug. 26, Ellison announced a landmark settlement with Meta Platforms Inc. (the parent company of Facebook and Instagram) worth up to \$17.1 billion — the largest Big Tech settlement in American history and one of the largest state consumer protection settlements ever reached.[1]

The settlement was announced just one week into trial, which itself was a significant milestone. The lawsuit, *In re: Social Media Adolescent Addiction/Personal Injury Products Liability Litigation*, filed by Ellison and a bipartisan coalition of attorneys general, opened before U.S. District Judge Yvonne Gonzalez Rogers in the U.S. District Court for the Northern District of California and was expected to run six to eight weeks.

The states alleged that Meta deliberately designed its platforms to exploit young users' vulnerabilities, foster compulsive use, and maximize time spent on Facebook and Instagram — and that Meta knew about the resulting harms but deceived users, parents and the public. The complaint also alleged that Meta illegally collected personal information from children under 13 without parental consent, in



Toni Michelle Jackson



Tiffany Aguiar

violation of the federal Children's Online Privacy Protection Act.

Ellison was an early architect of the underlying coalition. Beginning in 2021 — five years before the settlement — he joined nearly every attorney general in the country in calling on Meta to protect children, including a bipartisan coalition of 44 attorneys general urging Facebook to abandon plans for an Instagram product targeting children under 13.[2] That five-year investment in coalition infrastructure ultimately produced the largest Big Tech settlement in history.

What is the settlement worth?

Across all settling states, Meta will pay between \$12.2 billion and \$17.1 billion in total. Minnesota's share of that amount falls between \$214 million and \$307 million. Whether the final number lands at the floor or the ceiling depends on what happens next with other platforms.

The \$17.1 billion maximum is not guaranteed — it only kicks in if TikTok, Snapchat and YouTube agree to comparable settlement terms in the future. In other words, the deal is structured to incentivize broader industry participation. The more platforms that sign on, the more Meta pays.

The settlement requires several platform safety features on Instagram and Facebook for users ages 13 to 17, including daily time limits of two hours, nighttime blocks from 12 a.m. to 6 a.m., schooltime restrictions, strengthened age verification measures, anti-bullying and self-harm safeguards, more robust parental controls, and restrictions on social comparison features like beauty filters and visible "like" counts.

The settlement also includes a competitive escalation clause: If TikTok, Snapchat and YouTube adopt comparable terms, the daily limit on each platform drops to 60 minutes and the nighttime block extends from 10 p.m. to 7 a.m., both for 10 years. This signals that Ellison's office is pressure-mapping its next wave of targets.

Compliance will not be a one-time exercise. An independent auditor and the settling states will regularly assess both the implementation and the efficacy of the new features. Companies in adjacent sectors should expect this ongoing auditing model — rather than a one-time compliance filing — to be replicated in future consent frameworks.

Ellison characterized the result in expansive terms: "The groundbreaking changes to Instagram and Facebook in this settlement are more comprehensive than any court has ordered so far ... I expect this settlement to set a template that will fundamentally transform how the whole social-media industry designs products for kids and teens and safeguards their experience."

Loon Vapes: Lawsuit Targeting Youth-Oriented E-Cigarettes

On July 15, Ellison filed suit in Ramsey County against e-cigarette manufacturer Maduro Distributors Inc. (doing business as Loon) for the allegedly illegal manufacturing, distribution and sale of flavored vapes marketed to youth.[3]

The core allegations laid out in *Minnesota v. Maduro Distributors Inc.* are that:

- Loon sold nicotine products in youth-oriented flavors, including cotton candy, strawberry popsicle, banana taffy and blue razz slushy;

- Loon also used child-friendly cartoon characters to promote its products; and
- Loon falsely represented to consumers that its products were accepted for approval by the U.S. Food and Drug Administration. In fact, none of Loon's products have received FDA authorization to be marketed as tobacco products, known as premarket tobacco product application approval. The average consumer would reasonably interpret this language as a government safety certification, which it is not.

The complaint invokes Minnesota's 2024 deceptive vapor products law, which prohibits marketing or selling vapor products that imitate foods or brands commonly marketed to minors (e.g., candy, desserts or beverages), or that depict characters from movies, TV shows or video games known to appeal to minors.[4]

The lawsuit seeks a permanent injunction against Loon, civil penalties of up to \$25,000 per violation, restitution and/or disgorgement, and recovery of attorney fees and costs.

The Loon action follows a predictable sequence. In August 2024, Ellison sent warning letters to more than 5,000 tobacco distributors and retailers, including Loon, directing them to stop selling unauthorized flavored tobacco products.[5] Loon continued selling. The lawsuit followed.

This mirrors Minnesota v. Venture Concepts Group LLC dba High Light Vapes Co., a January 2025 lawsuit brought by Ellison against High Light, a company selling e-cigarettes disguised as highlighters for use in schools. An April 2025 settlement resulted in a complete ban on High Light doing any business in Minnesota.[6]

xAI — Minnesota's AI Nudification Law Survives Two Court Challenges

On Sept. 4, in xAI LLC v. Ellison, the U.S. District Court for the District of Minnesota **rejected**[7] xAI's second attempt to block enforcement of Minnesota's law prohibiting AI-generated nudification imagery.[8] The court had previously rejected xAI's request for a temporary restraining order on July 31, which was one day before the law took effect.

The law was enacted on May 7 with near-unanimous legislative support: 197 lawmakers voted in favor, with only one against.

Ellison has made his support for the law unequivocally clear: "My Office and I will continue to vigorously defend the law and the Minnesotans it was designed to protect from X.AI's lawsuit."

Takeaways for Companies Serving or Selling to Children

Audit your product design against the Meta consent framework.

The behavioral features extracted from Meta in the settlement may become the de facto baseline for any platform serving minors. Companies whose products are used by consumers under 18 should conduct an internal review to identify gaps and prioritize remediation of features that maximize engagement time, suppress parental visibility or exploit social comparison.

Even companies not currently subject to enforcement should consider voluntarily adopting the Meta settlement's structural features — such as time limits, nighttime restrictions and parental controls — as

a defensible compliance baseline and should document the child-safety rationale underlying each product design decision to create a contemporaneous record in the event of future regulatory scrutiny.

The enforcement playbook: investigation, coalition formation, multiyear litigation, trial commencement, then settlement. Build the record, withstand dismissal motions and use the pressure of imminent trial to extract maximum concessions. Expect this structure to be repeated.

Companies should actively monitor multistate attorney general coalition letters, joint investigations and amicus filings as leading indicators of enforcement targeting, and maintain litigation readiness files, so that response timelines are not compressed if a formal action materializes.

Correct any regulatory status misrepresentations.

The Loon complaint shows how technical regulatory filing language — such as a claim of acceptance for premarket tobacco product application approval — can be recast as consumer deception when the average consumer would reasonably misunderstand it. This risk extends beyond tobacco to any regulated industry where marketing language imprecisely conflates intermediate regulatory steps with full market authorization.

As a practical matter, marketing claims referencing regulatory status should be reviewed not only by regulatory counsel, but also tested against a reasonable consumer comprehension standard to identify statements that technically accurate audiences may understand, but that lay consumers are likely to misread as government endorsement or safety certification.

Treat attorney general warning letters as litigation timetables.

The Loon and High Light Vapes enforcement sequences share the same structure: industrywide warning, targeted lawsuit against noncompliant parties and aggressive resolution, which, in High Light's case, included a complete state ban.

Companies that receive a warning letter regarding child-facing products should respond with immediate legal assessment, a documented response plan and proactive outreach to the attorney general's office. Critically, consider engaging the office in a dialogue that demonstrates good faith compliance efforts before enforcement escalates.

Assess your AI-generated content tools for child-safety exposure.

The xAI litigation signals that Ellison will pursue enforcement against AI companies whose tools are used to generate imagery that harms children, including where those companies argue that state laws restricting such tools are unconstitutional.

Two rejected injunction attempts have so far validated Minnesota's statutory approach. Companies deploying generative AI tools with image-editing capabilities should assess whether those tools can be used to generate sexualized imagery of minors, and implement appropriate technical safeguards now.

In particular, companies should conduct adversarial red-team testing specifically targeting child-safety vulnerabilities, and maintain auditable logs of safeguard design, deployment and ongoing efficacy.

Toni Michelle Jackson is the managing partner of the Minneapolis office and chair of the state attorneys general practice group at Crowell & Moring LLP.

Tiffany Aguiar is counsel at the firm.

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[1] https://www.ag.state.mn.us/Office/Communications/2026/docs/05448_Meta_ConsentJudgment.pdf.

[2] <https://www.mass.gov/news/ag-healey-co-leads-bipartisan-coalition-of-44-attorneys-general-urging-facebook-to-abandon-launch-of-instagram-kids>.

[3] https://www.ag.state.mn.us/Office/Communications/2026/docs/Loon_Complaint.pdf.

[4] <https://www.revisor.mn.gov/statutes/cite/325F.7821>.

[5] https://www.ag.state.mn.us/Office/Communications/2024/docs/ENDS_Industry_Ltr.pdf.

[6] https://www.ag.state.mn.us/Office/Communications/2025/docs/HighLight_Complaint.pdf.

[7] <https://www.mlex.com/mlex/articles/2521975/xai-loses-bid-to-block-minnesota-s-ai-nudification-law>.

[8] <https://www.house.mn.gov/NewLaws/story/2026/5741>.