New York AG Settles with School App

Article By:

Liisa M. Thomas

Kathryn Smith

The New York Attorney General recently entered into an <u>assurance of discontinuance</u> with Saturn Technologies, operator of an app used by high school and college students. The app was designed to be a social media platform that assists students with tracking their calendars and events. It also includes connection and social networking features and displayed students' information to others. This included students' location and club participation, among other things. According to the NYAG, the company had engaged in a series of acts that violated the state's unfair and deceptive trade practice laws.

In particular, according to the attorney general, although the app said that it verified users before allowing them into these school communities, in fact anyone could join them. Based on the investigation done by the AG, the majority of users appeared not to have been verified or screened to block fraudulent accounts. In other words, accounts that were not those of students at the school. This was a concern, stressed the AG, as the unverified users had access to personal information of students. The AG argued that these actions constituted unfair and deceptive trade practices.

Finally, the AG alleged that the company did not make it clear that "student ambassadors" (who promoted the program) received rewards for marketing the program. As part of the settlement, the app maker has agreed to create and train employees and ambassadors on how to comply with the FTC's Endorsements Guides by, among other things, disclosing their connection to the app maker when discussing their use of the app.

Putting It Into Practice: This case is a reminder to review apps directed to older minors not only from a COPPA perspective (which applies to those under 13). Here, the NYAG has alleged violations stemming from representations that the company made about the steps it would take to verify users. It also signals expectations in New York for protecting minors if offering a social media platform intended only for that market.

Listen to this post

Copyright © 2025, Sheppard Mullin Richter & Hampton LLP.

National Law Review, Volume XV, Number 83

Source URL: https://natlawreview.com/article/new-york-ag-settles-school-app