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## "Digital Risk Report," December 2025

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Artificial intelligence (AI) continues to move at a pace that few regulatory frameworks can match. This week alone underscored just how deeply AI is permeating every corner of the business world—from financial services, health care, and data centers to marketing technologies, web analytics, and core infrastructure. On December 11, President Trump issued a sweeping Executive Order aimed at curbing the growing patchwork of state AI laws and signaling a strong federal push toward uniformity, global competitiveness, and innovation-first AI policy. The Order sets the stage for significant legal, political, and constitutional debate, particularly around state enforcement authority, algorithmic accountability, and the future of consumer protections.

At the same time, states and regulators are not standing still. Florida's proposed AI consumer protections, California's continued expansion of privacy enforcement under the California Invasion of Privacy Act (CIPA), and aggressive litigation trends across the country highlight the tension between federal ambitions and state-level risk mitigation. Add to that the growing realities of GenAI in financial services, cross-border health data offshoring, AI-driven cyber threats, and the immense infrastructure demands powering AI growth, including nuclear-powered data centers, and it is clear that organizations can no longer treat AI as a siloed technology issue. AI is now a core enterprise risk, governance, and compliance issue.

In this edition of our Digital Risk Report, our team breaks down these developments with practical, business-focused guidance. From regulatory shifts and litigation risk to operational compliance strategies and emerging infrastructure trends, these articles are designed to help organizations navigate uncertainty, anticipate enforcement, and responsibly deploy AI in an increasingly complex legal environment.

Insights in the December 2025 issue include:

- Florida Targets AI Risks: Consumer Rights and Infrastructure Accountability
- Client Alert: GenAI in Financial Services
- Offshoring Patient Data: What Health Care Providers Need to Know Now
- Nuclear Powered AI: Small Modular Reactors as an Emerging Power Source for AI Data Centers
- The California Invasion of Privacy Act Meets the Modern Web: What Businesses Need to Know Now
- Not-So Incognito: Lessons from a Texas-sized Settlement
- When AI Becomes the Hacker: Legal Risks and Compliance Strategies
- Recent Legislative & Regulatory News
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