

RECENT DEVELOPMENTS

MISCELLANEOUS

CHOBANI'S TREATMENT OF AN ALLULOSE-CONTAINING PRODUCT AS SUGAR-FREE RAN AFOUL OF FDA REGULATIONS

Franco v. Chobani, LLC, 2026 U.S. App. LEXIS 22276 (7th Cir. 2026).

<https://media.ca7.uscourts.gov/cgi-bin/OpinionsWeb/process-WebInputExternal.pl?Submit=Display&Path=Y2026/D07-27/C:25-2087;J:Kirsch;aut:T:fnOp:N:3580911:S:0>

FACTS: Jason and Abigail Franco (the “Francos”) purchased Chobani Zero Sugar Yogurt. Although Chobani, LLC (“Chobani”) advertised the yogurt as sugar free, the yogurt contained four grams of allulose per serving. The United States Food and Drug Administration (“FDA”) regulations prohibited foods containing at least one-half gram of sugar per serving from being labeled “sugar free” or “zero sugar.” The FDA later issued the Allulose Guidance, stating it would exercise enforcement discretion and not enforce its labeling requirements against manufacturers that exclude allulose from “Total Sugars” pending future rulemaking. The Francos sued Chobani under state consumer protection laws, alleging that Chobani’s sugar-free labeling was deceptive because allulose qualified as sugar under FDA regulations.

The district court held that the Francos’ claims were preempted and dismissed the case. The Francos appealed.

HOLDING: Reversed.

REASONING: The Francos argued allulose qualified as sugar under FDA regulations, therefore, Chobani could not lawfully label a product containing four grams of allulose as sugar free. The court agreed, reasoning that FDA regulations defined “Total Sugars” to include all free monosaccharides and disaccharides, and allulose was undisputedly a monosaccharide. The court rejected Chobani’s argument that the regulation’s examples of glucose, fructose, lactose, and sucrose limited the definition to sugars with similar physiological characteristics. Instead, the court held the listed substances were examples of

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the broader class of monosaccharides and disaccharides.

The court also rejected Chobani’s reliance on the FDA’s Allulose Guidance. The court reasoned the Allulose Guidance announced an enforcement policy rather than an interpretation of the FDA’s definition of “Total Sugars.” The FDA had not completed further rulemaking to exclude allulose from the definition, therefore, the existing regulatory definition of “Total Sugars” continued to apply.

Finally, the court explained the federal government’s decision not to enforce its labeling requirements with respect to allulose did not mean that states would take the same ap-

proach or Chobani was immune from state-law claims. Under FDA regulations, a product containing at least one-half gram of sugar could not be labeled “sugar free” or “zero sugar.” Chobani therefore ran afoul of FDA regulations by treating a product containing four grams of allulose as sugar free.

A PARTY CANNOT STATE A VIABLE CLAIM FOR WRONGFUL FORECLOSURE IF THE PARTY NEVER LOST POSSESSION OF THE PROPERTY

TEXAS DOES NOT RECOGNIZE AN ATTEMPTED WRONGFUL FORECLOSURE CAUSE OF ACTION. CLAIMS FOR ATTEMPTED WRONGFUL FORECLOSURE ARE SIMPLY NOT COGNIZABLE UNDER TEXAS LAW

Cristancho v. SWBC Mortg. Corp., 2026 U.S. Dist. LEXIS 172996 (S.D. Tex. 2026).

<https://docs.justia.com/cases/federal/district-courts/texas/txsdce/3%3A2024cv00110/1957178/37>

FACTS: Plaintiffs Mauricio Cristancho and Idali Melgar financed the purchase of their home through Defendant SWBC Mortgage Corporation (“SWBC”) and executed a deed of trust securing the loan. Cenlar, FSB (“Cenlar”) was the current mortgage servicer. After experiencing financial hardship, Plaintiffs entered into a forbearance agreement with SWBC and later sought loan-modification assistance. Plaintiffs remained in default on their mortgage, and Defendants notified them that foreclosure proceedings would be initiated. Before any foreclosure sale occurred, Plaintiffs filed suit and obtained a temporary restraining order preventing the foreclosure. Plaintiffs asserted a wrongful foreclosure claim, among other causes of action.

Defendants moved for summary judgment on Plaintiffs’ wrongful foreclosure claim, arguing the claim failed because no foreclosure sale had occurred.

HOLDING: Recommended summary judgment be granted.

REASONING: Defendants argued Plaintiffs could not maintain a wrongful foreclosure claim because no foreclosure sale had occurred and Plaintiffs never lost possession of the property. The court agreed, reasoning that a viable wrongful foreclosure claim required the Plaintiffs to have lost possession of the property.

Plaintiffs also argued the wrongful initiation of foreclosure proceedings could support a claim for damages even when no foreclosure sale ultimately occurred. The court rejected this argument, explaining that Texas law does not recognize a cause of action for attempted wrongful foreclosure. Because Plaintiffs remained in possession of the property and sought relief only for foreclosure proceedings that had been initiated but never completed, their wrongful foreclosure claim was not cognizable under Texas law. The court therefore recommended granting Defendants summary judgment on the claim.