

Sullivan & Cromwell Wins Dismissal of Securities Suit Against Swedish Gaming Tech Company

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September 10, 2025 at 03:44 AM By  **Kat Black**



Courtesy photo

In a case that may provide a road map for future securities litigation targeting international companies with U.S. subsidiaries, a team at Sullivan & Cromwell secured the dismissal of a shareholders' class action against Swedish gaming tech company Evolution AB last week in Pennsylvania federal court.

District Judge Mia Roberts Perez, who presides in the U.S. District Court for the Eastern District of Pennsylvania, granted the defendant's motion to dismiss for lack of personal jurisdiction and rejected the plaintiffs' motion to amend on Sept. 5.

Perez ruled that plaintiffs did not meet the burden of establishing alter ego jurisdiction after it failed to demonstrate that Evolution exerted an "extraordinary level of control" over its subsidiaries registered in Pennsylvania.

"Third Circuit alter-ego jurisdiction requires far more than uniform policies or shared compliance infrastructure," Perez wrote. "Courts in this circuit demand proof that the parent actually directs the subsidiary's day-to-day business decisions and operations."

Evolution, which is headquartered in Stockholm, develops and licenses online casino software to gaming operators. The company has 50 subsidiaries in 30 countries around the world—including nine in the U.S.—and is reported to have a [market capitalization](#) of about \$17.15 billion.

The securities fraud class action against Evolution, captioned *Skolnick v. Evolution AB*, marks the second securities case that Sullivan & Cromwell has won on behalf of a Swedish company over the course of a year, following an appellate victory for telecommunications giant Ericsson in September 2024. Evolution's defense team included partners Bob Giuffra, David Rein and Julia Malkina, as well as associate Gulliver Brady.

"We're pleased with the court's well-reasoned decisions dismissing this complaint with prejudice," said Giuffra in an emailed statement.

Evolution, per court records, has been listed on NASDAQ Stockholm since June 2017 and has traded its American Depositary Shares—or shares in an international company that can be purchased by U.S. investors—in the United States over-the-counter market under the ticker EVVTY since 2016.

The Law Offices of Robert W. Sink and Federman & Sherwood filed the original federal securities class-action complaint against Evolution, its CEO Martin Carelsund and its CFO Jacob Kaplan on Jan. 23, 2024, in the Eastern District of Pennsylvania.

Plaintiffs included individuals or entities who, while in the U.S., purchased or acquired EVVTY shares on the over-the-counter market at allegedly "artificially inflated prices" between Feb. 14, 2019, and Oct. 25, 2023.

Robert Sink has since withdrawn from the case. William Federman of Federman & Sherwood referred requests for comment to the plaintiffs' current lead counsel, Darren Robbins of Robbins Geller Rudman & Dowd, who did not return emails or phone messages seeking comment.

The plaintiffs asserted in the complaint that Evolution misrepresented the growth of the company and its compliance with gaming laws, resulting in investor losses. Evolution, they alleged, violated Sections 10(b) of the Securities Exchange Act and Securities Exchange Commission Rule 10b-5 by

"making untrue statements or omitting material facts that constituted fraud," while Carlesund and Kaplan violated Section 20(a) of the Securities Exchange Act by "exercising control over Evolution's operations."

According to court documents, the lead plaintiffs bought unsponsored Evolution American Depositary Receipts (ADRs, or negotiable certificates that represent shares of a foreign company) on the over-the-counter market during the class period. Unsponsored ADRs refer to ADRs that are issued by a depositary bank without the involvement of the foreign company.

The complaint contended that the price of Evolution's ADRs nosedived by 15% in January 2022, harming investors, after a research firm released a report that Evolution's bottom line could be adversely impacted by regulatory responses to revenues derived from "illegal gambling activities." Plaintiffs maintained that Evolution was responsible for the loss, alleging that unsponsored ADRs "are not sold without the express or implied consent of the foreign issuer," per court records.

On April 24, Perez [dismissed](#) the Section 20(a) claim after determining that the court lacked personal jurisdiction over Carlesund and Kaplan, who are Swedish citizens, but denied a motion to dismiss the claims against Evolution to allow jurisdictional discovery on the issue of whether an alter ego relationship existed between the company and its U.S. subsidiary businesses.

Following discovery, Perez found that "[the] record demonstrates clear corporate separation between Evolution AB and its subsidiaries registered to do business in Pennsylvania."

"Plaintiffs have not established that Defendant is 'at home' in Pennsylvania, that it directed its activities at Pennsylvania, or that this Court should impute its subsidiaries under the alter ego theory," wrote Perez in the Sept. 5 order. "Consequently, this Court does not have personal jurisdiction and the motion to dismiss is granted."

Editor's Note: This story has been updated to include a comment from Bob Giuffra.

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Securities Law News

Nutex Health Investor Sues Board After Short Seller Accusations

Sept. 9, 2025, 12:44 PM PDT

Nutex Health Inc. leadership hid using a third-party vendor that was accused of employing fraudulent methods for collecting on out-of-network medical bills, a shareholder lawsuit said.

Top brass hurt Nutex Health's reputation and wallet in having it conceal working with HaloMD and relying on its services to boost revenue, according to the shareholder derivative complaint filed Monday in the US District Court for the Southern District of Texas. The specialized hospital operator's stock price slipped after a short seller flagged its relationship with HaloMD, and accused the latter of scheming to defraud insurance companies.

Current and former board members and executives also caused Nutex Health to lack proper internal controls and issued a deficient proxy statement to stockholders, Juan Camilo Jimenez's complaint said. Jimenez's lawsuit echoes an investor's proposed class action pending against the company, CEO Tom Vo, President Warren Hosseinion, and Chief Financial Officer Jon Bates.

A federal law boosting protections for patients against out-of-network balance billing took effect in 2022, impacting Nutex Health's revenue, Jimenez said. The law established a new "independent dispute resolution" process for determining payment rates for certain out-of-network charges when prior open negotiations fail between a health plan, provider, or facility. Nutex Health started working with HaloMD to help collect on claims through the process in 2024.

Short seller Blue Orca Capital accused HaloMD of defrauding insurance companies and said Nutex Health never named the third-party resolution vendor it worked with, among other issues. The July 22 report said lawsuits against HaloMD could be "the first of what may be a tidal wave of litigation against HaloMD and its clients, and it may only be a matter of time before Nutex itself is targeted." Nutex Health's share price fell about 10% that day.

Nutex Health disputed the report, calling it a "misleading short attack."

Financial Reporting

Nutex Health's stock price dropped about 16% Aug. 15, the day after saying it was delaying its financial report because of accounting of "certain under-construction and ramping hospitals."



Nutex Health detailed its relationship with HaloMD and the federal dispute process in an Aug. 20 report, saying third-party expertise like HaloMD's "is essential for navigating the complexity of submission of claims in bifurcated states where either state or federal law may apply, depending on the insurance coverage and services provided."

Jimenez alleged the report "failed to substantively refute the claims made" by the short seller.

Jimenez alleged securities law violations, breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets.

The Brown Law Firm PC represents Jimenez, who seeks damages, restitution, and corporate governance reform for Nutex Health. Jimenez is suing current and former board members and executives, including Vo, Hosseinion, and Bates.

A Nutex Health spokesperson didn't immediately respond to an email seeking comment.

The case is Jimenez v. Vo , S.D. Tex., No. 4:25-cv-04253, complaint filed 9/8/25 .

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Class Action

Manage Newsletters

Block Defeats Investor Lawsuit Over Cash App Data Breach (1)

Sept. 10, 2025, 5:44 AM PDT; Updated: Sept. 10, 2025, 7:09 AM PDT

Summary by Bloomberg AI

AI Generated



- Block Inc. beat proposed class allegations it misled shareholders about its data security surrounding a 2021 breach of its mobile payment product Cash App.
- Judge Margaret M. Garnett said investors failed to allege material misstatements about security controls or the incident, and also failed to allege a mental state to deceive or recklessness by leadership.
- Garnett said none of the statements made to Block or Afterpay shareholders were materially misleading because plaintiffs did not adequately allege that Block's internal security measures were in fact deficient.

Block Inc. beat proposed class allegations it misled shareholders about its data security surrounding a 2021 breach of its mobile payment product Cash App.

Investors in the fintech giant and another payment company Block acquired failed to allege material misstatements about security controls or the incident, Judge Margaret M. Garnett said while tossing the lawsuit with finality Tuesday. The US District Court for the Southern District of New York judge said that a subset of the stockholders also failed to allege a mental state to deceive or recklessness by leadership, including co-founders Jack Dorsey and Jim McKelvey, about Block's cybersecurity for securities fraud claims.

For securities fraud claims, an investor appointed lead plaintiff and another sought to represent a class of those who got Block shares between Feb. 26, 2020, and April 4, 2022. An Afterpay Limited shareholder sought to represent those who acquired Block securities, asserting non-fraud claims under the Securities Act of 1933 for allegedly misleading the Australian flexible payment company's investors while working to close the buyout. That \$29 billion deal completed in 2022.

A former Block employee accessed and downloaded personal information of about 8.2 million Cash App users in December 2021, which the company told investors about in April 2022. The shareholders' most recent complaint alleged that the company overhyped the standards of cybersecurity at Block surrounding the breach and concealed the incident after.

But “none of the statements made to Block or Afterpay shareholders were materially misleading because Plaintiffs did not adequately allege that Block’s internal security measures were in fact deficient” to support their allegations before the 2021 breach, Garnett said. The statements they targeted were general and didn’t characterize the quality of its security, and in light of warnings about potential breaches, no reasonable investor would’ve been materially misled, she said.

Some of the alleged misstatements after the breach were on “topics too far removed from the topic of the Incident or even of Block’s data security generally, and the omission of information regarding the Incident does not render them misleading,” Garnett said.

Regardless, the complaint didn’t adequately plead Block and corporate leaders knew about the breach when making alleged misrepresentations after the incident—they “have no duty to disclose something that they were not aware of,” she said.

Abraham, Fruchter & Twersky LLP and Bronstein, Gewirtz & Grossman LLC are lead counsel for the shareholder leading the Securities Act allegations. Hagens Berman Sobol Shapiro LLP is lead counsel for investors with Securities Exchange Act of 1934 fraud claims. Orrick, Herrington & Sutcliffe LLP represents Block and three of its executives and directors. None of these law firms nor Block immediately responded to emails seeking comment.

The case is *In re Block, Inc. Sec. Litig.*, S.D.N.Y., No. 1:22-cv-08636, 9/9/25 .

(Updates throughout with additional reporting and details from opinion.)

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Block defeats shareholder lawsuit over 2021 Cash App data breach



reuters.com/sustainability/boards-policy-regulation/block-defeats-shareholder-lawsuit-over-2021-cash-app-data-breach-2025-09-09

Jonathan Stempel

September 9, 2025

The logo of Cash App is seen at the main hall during the Bitcoin Conference 2022 in Miami Beach, Florida, U.S. April 6, 2022. REUTERS/Marco Bello/File Photo [Purchase Licensing Rights, opens new tab](#)

NEW YORK, Sept 9 (Reuters) - Block ([XYZ.N](#)), [opens new tab](#), the technology and financial services company led by Twitter co-founder Jack Dorsey, won the dismissal on Tuesday of litigation claiming it misled shareholders in connection with a large data breach at its Cash App mobile payment service.

U.S. District Judge Margaret Garnett in Manhattan found no proof Block intended to defraud shareholders in connection with the December 10, 2021 breach, where a former employee downloaded personal information of about 8.2 million Cash App users.

Shareholders in the proposed class action said Block inflated its share price by failing to disclose its inadequate data security prior to the breach, and then waiting nearly four months before disclosing the breach on April 4, 2022.

They also accused the Oakland, California-based company of misleading former shareholders of Afterpay about its data security, in order to complete its [\\$29 billion buyout](#) of that Australian "buy now, pay later" company in January 2022.

In a 42-page decision, Garnett said reasonable investors could not view general statements that Block made in regulatory filings and on its website about potential risks as assertions that its data security was sound.

She also said shareholders failed to show any "unique" connection between alleged misstatements and the Afterpay buyout, or that Block executives benefited in some concrete way, to establish a motive to defraud.

Lawyers for the shareholders did not immediately respond to requests for comment after market hours. Block and its lawyers did not immediately respond to similar requests.

In January, Block agreed to pay [\\$80 million](#) to settle accusations by 48 state financial regulators that Cash App lacked sufficient anti-money laundering policies. It reached a similar [\\$40 million](#) settlement with New York in April.

Cash App had \$283 billion of inflows in 2024, and 57 million monthly users at year-end, a regulatory filing showed.

The case is In re Block Inc Securities Litigation, U.S. District Court, Southern District of New York, No. 22-08636.

Reporting by Jonathan Stempel in New York; Editing by Chris Reese and Jamie Freed

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Settlement of Parallel Derivative Actions



dandodiary.com/2025/09/articles/shareholders-derivative-litigation/settlement-of-parallel-derivative-actions

Kevin LaCroix

September 9, 2025

CORNERSTONE RESEARCH

It is frequently the case that securities class action lawsuits are accompanied by a parallel shareholder derivative lawsuit involving substantially similar allegations. But what happens to the derivative lawsuits when the related securities class action lawsuit is settled? An August 2025 study from Cornerstone Research analyzes the settlements of these parallel derivative lawsuits during the period 2019 through 2024. The Cornerstone Research report can be found [here](#).

According to the Cornerstone Research report, of the 512 securities class action lawsuit settlements during the period 2019 to 2024, 243 (or 47%) involved parallel derivative actions. The report analyzes the settlements of 142 of these parallel derivative action settlements.

Of the 142 parallel derivative action settlements that the report analyzes, 35 (or 25%) involved monetary settlements (beyond payment of the plaintiffs' attorneys' fees), while 107 (75%) involved non-monetary settlements (such as an agreement to adopt therapeutic measures).

Among the parallel derivative actions involving monetary settlements, the median settlement amount was approximately \$9.2 million, while the median plaintiff fee awarded in non-monetary settlements was about \$760,000.

The figures are notably different for parallel derivative actions filed in the Delaware Court of Chancery. For starters, a higher percentage of Chancery Court parallel derivative suits involved monetary settlements than did non-Chancery Court parallel derivative actions (52.6% for Chancery Court actions, compared to only 20.3% for non-Chancery Court actions).

The median settlement amount for Chancery Court parallel derivative actions was also higher than for non-Chancery Court actions — \$12.1 million for Chancery Court actions, compared to \$6.7 million for non-Chancery Court actions.

The median plaintiff fee award was also higher for Chancery Court actions — \$1.3 million for Chancery Court actions, compared to about \$707,000 for non-Chancery Court actions. The report suggests that these differences between the Chancery Court actions and the non-Chancery Court actions “may be associated with differences in case characteristics, particularly the size of the related securities class action settlement.”

The report also considers the question of what case characteristics are associated with parallel derivative actions that result in monetary settlements. The report suggests that parallel derivative action settlements involving a monetary component are “more commonly observed” for cases involving larger settlements in the related securities class actions, a corresponding SEC action, or corresponding criminal charges.

For example, the median settlement class action settlement amount for parallel derivative actions that involved a monetary settlement was \$33.7 million, compared to \$11.7 million for parallel derivative actions that involved only a non-monetary parallel derivative action settlement.

Similarly, 22.9% of parallel derivative actions with monetary settlements involved cases with a corresponding SEC action, while only 12.3% of non-monetary parallel derivative action settlements involved a corresponding SEC action.

Similarly, 8.6% of parallel derivative actions with monetary settlements involved cases with corresponding criminal charges, while only 3.8% of non-monetary parallel derivative action settlements involved corresponding criminal charges.

Parallel Derivative Action Settlements Update: August 2025



[cornerstone.com/insights/research/parallel-derivative-action-settlements-update-august-2025](https://www.cornerstone.com/insights/research/parallel-derivative-action-settlements-update-august-2025)

August 26, 2025

- Research

This page provides an update on Cornerstone Research’s analysis of [settlement outcomes for parallel derivative lawsuits](#), in which a shareholder derivative action features the same or similar allegations as a securities class action.

As shown in Cornerstone Research’s [Securities Class Action Settlements—2024 Review and Analysis](#), 47% of securities class actions with settlement hearing dates between 2019 and 2024 had parallel derivative suits with similar claims. This research update incorporates more recent data to analyze the outcomes of 142 of these parallel derivative actions that have settled.

- 25% of derivative settlements included a monetary component other than plaintiff attorney fees (“monetary settlements”), while 75% included therapeutic provisions only (“non-monetary settlements”).
- Among monetary settlements, the median settlement amount for the derivative action was \$9.2 million.
- The median plaintiff attorney fee award was \$2.8 million across monetary settlements and approximately \$760,000 across non-monetary settlements.
- Monetary settlements and attorney fees were larger in Delaware Court of Chancery cases than in other venues, which may be associated with differences in case characteristics, particularly the size of the related securities class action settlement.
- Monetary settlements were more commonly observed for cases featuring large settlements in the related securities class action, a corresponding SEC action, or corresponding criminal charges.

Parallel Derivative Action Settlements Sample

	Number of Cases	Percentage of Cases
Securities Class Action Settlements (2019–2024)	512	
Class Action Settlements With Parallel Derivative Actions	243	47%
Parallel Derivative Action Settlements	142	
Monetary Settlements with Therapeutic Provisions	25	18%
Monetary Settlements without Therapeutic Provisions	10	7%
Non-Monetary Settlements	107	75%

Note: Monetary settlements are settlements featuring a monetary component other than reimbursement of plaintiff attorney fees. Examples of therapeutic provisions include enhancements to board independence or revisions to the charters of key board committees.

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Parallel Derivative Action Settlement Amounts

	Monetary Component (Monetary Settlements Only)	Plaintiff Attorney Fee Award (Non-Monetary Settlements Only)
25th Percentile	\$2,419,364	\$457,524
Median	\$9,204,317	\$759,167
75th Percentile	\$34,733,837	\$1,558,339

Note: Amounts are adjusted for inflation; 2024 dollar-equivalent figures are presented. Plaintiff attorney fees have not been netted from monetary components. Settlement amounts and plaintiff attorney fees are as recorded in the settlement stipulation and could differ from the amounts ultimately approved by courts. Plaintiff attorney fees could not be determined for all settlements.

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Delaware Court of Chancery: Parallel Derivative Action Settlements

	Delaware Chancery	Non-Delaware Chancery
Number of Parallel Derivative Settlements	19	123
Number of Monetary Settlements	10	25
Percentage of Monetary Settlements	52.6%	20.3%

Monetary Derivative Settlements

Median Monetary Settlement	\$12,172,100	\$6,750,000
Median Settlement Amount in Related Class Action	\$65,129,544	\$24,544,449
Median Derivative Settlement / Class Action Settlement	18.2%	25.9%

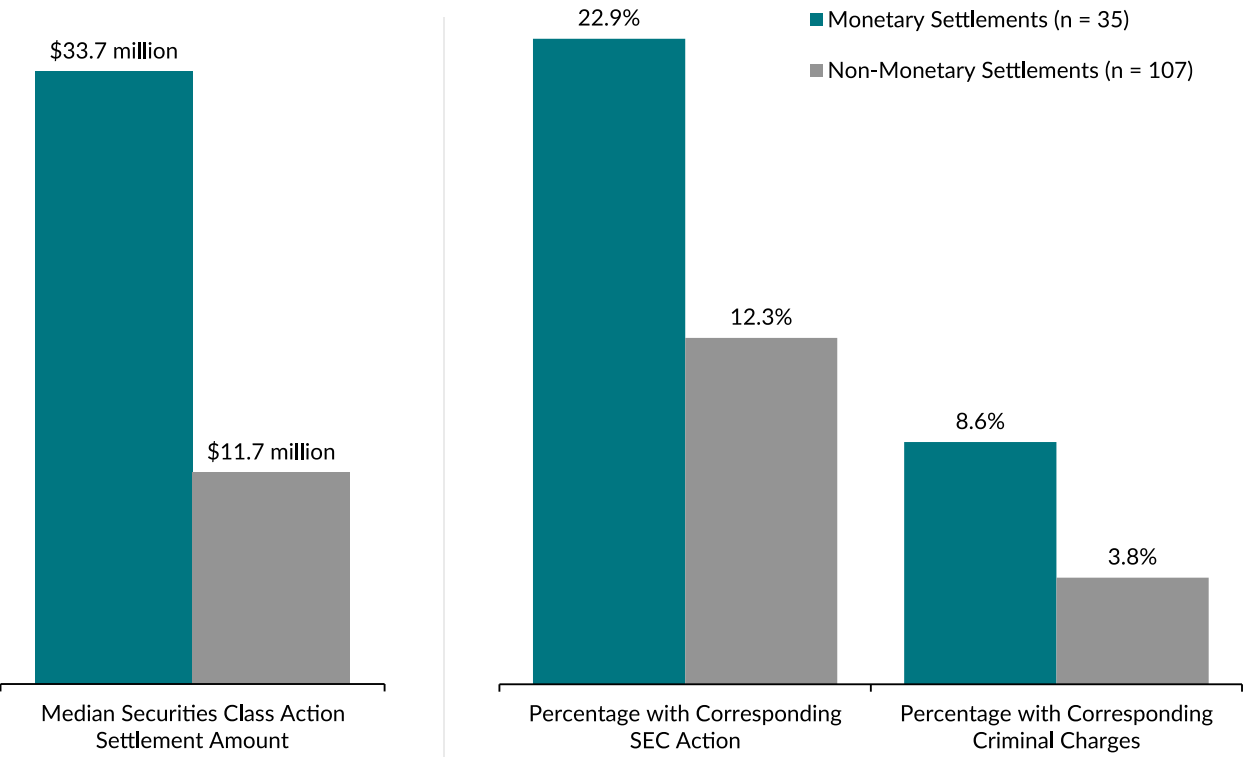
Non-Monetary Derivative Settlements

Median Plaintiff Attorney Fee Award	\$1,348,555	\$707,123
Median Settlement Amount in Related Class Action	\$22,179,000	\$11,791,069
Median Derivative Attorney Fees / Class Action Settlement	4.4%	6.7%

Note: Amounts are adjusted for inflation; 2024 dollar-equivalent figures are presented. Plaintiff attorney fees have not been netted from monetary components. Derivative settlement amounts and plaintiff attorney fees are as recorded in the settlement stipulation and could differ from the amounts ultimately approved by courts. Plaintiff attorney fees could not be determined for all settlements. The ratio of the derivative settlement amount to the class action settlement amount (or derivative attorney fee amount to class action settlement amount) is computed for each case; the median ratio across cases is reported in the table.

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Characteristics of Monetary and Non-Monetary Derivative Action Settlements



Note: Dollar amounts are adjusted for inflation; 2024 dollar-equivalent figures are presented. Plaintiff attorney fees are as recorded in settlement stipulations and could differ from those ultimately approved by courts. Percentages represent the proportion of case settlements that satisfy the criteria listed.

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Please see [*Parallel Derivative Action Settlement Outcomes: 2023 Review and Analysis*](#) for additional detail on the sample, methodology, and assumptions.

California Brief

Insight

Anthropic Settlement Has Historic Implications—Beyond the Cost

Sept. 10, 2025, 1:30 AM PDT

Anthropic's \$1.5 billion settlement agreement with a class of authors—alleging the artificial-intelligence platform had engaged in mass copyright infringement by downloading millions of pirated books for model training purposes—might be historic for more than one reason.

A district court judge has rejected the deal as incomplete, throwing the agreement into limbo, but Anthropic's readiness to settle the case suggests a shifting balance of power between content owners and model and app developers in the AI ecosystem.

Anthropic has abundant cash resources and could have chosen to continue the litigation, as it recently raised \$13 billion at a \$183 billion valuation. So, its decision to agree to what would be the largest copyright settlement in history (if approved) may indicate a lack of confidence it would prevail on its fair use defense and avoid even greater statutory damages.

That assessment may be right. The US Supreme Court's 2023 decision in *Andy Warhol Foundation for Visual Arts v. Goldsmith*, together with recent lower-court decisions, reflect three doctrinal shifts that have curtailed the scope of the fair use exemption, departing from about 20 years during which courts have mostly expanded its scope.

The pending Anthropic settlement, set against the background of the *Warhol* decision and other rulings, suggests that the pendulum of copyright law may be swinging toward copyright owners and artists.

As the likelihood of a litigation loss to copyright owners increases, AI developers may abandon the courtroom for the negotiating table. It's no accident that the shift in fair use jurisprudence has been accompanied by some licensing agreements between AI developers and major content companies.

Overly Broad Applications

First, the Supreme Court in *Warhol* cautioned against overly broad applications of the "transformative use" concept in fair use analysis that "would swallow the copyright owner's exclusive right to prepare derivative works."

Similarly, last year the US Court of Appeals for the Second Circuit rejected the fair use defense brought by the Internet Archive, a “digital lending” service for books, on the ground that the use wasn’t transformative and substituted for sales by publishers and authors.

Assessing Harms

Second, lower courts have re-emphasized that the fair use defense requires finding that the infringing use doesn’t cause significant economic harm to the copyright owner.

In *Kadrey v. Meta Platforms*, the district court reaffirmed this principle (though it dismissed the case due to plaintiffs’ failure to show market harm). None of this is novel doctrine. Rather, it constitutes a return to long-standing guidance by the Supreme Court in 1994 and 1985, holding that commercial harm is the most important element of a fair use analysis.

Commercial Struggles

Third, some lower courts have exhibited skepticism toward fair use defenses brought by commercial entities. In 2018, the Second Circuit rejected a fair use defense brought by a company that had offered subscribers a searchable database of television programming.

In 2021, Locast, a service that retransmitted broadcast television signals in exchange for “donations” from subscribers, failed in its effort to qualify for a statutory fair-use-like exemption for nonprofits. Earlier this year, a district court rejected a fair use defense brought by a firm that had trained an AI-enabled legal search tool using materials that included copyright-protected headnotes from the Westlaw database.

This shift toward a narrower application of fair use departs from about a two-decade period during which courts have mostly set a low threshold for showing transformative use and a high threshold for showing commercial harm. This approach is hard to reconcile with governing Supreme Court precedent and, as the court observed in *Warhol*, has allowed the fair use exemption to grow so large that it threatens the core of copyright itself.

Fair Use’s Future

To be clear, the Anthropic settlement may not be approved, other litigations between content owners and AI developers are ongoing, and the state of the law remains in flux. Nonetheless, the fact that some courts have rejected fair use defenses in the AI context, and the strong language used by some judges concerning AI developers’ unlicensed use of copyrighted content, contrast with courts’ stance toward infringement claims against platforms and other content aggregators at the onset of the digital economy.

In decisions such as *Viacom et al. v. YouTube* in 2010 and the “Google Books” decisions in 2014 and 2015, courts had adopted broad understandings of the fair use exemption and the Section 512 safe harbors under the Digital Millennium Copyright Act.

This also tracked prevailing views in academia and the tech community that expressed skepticism concerning the necessity of copyright in digital environments. As a result, platforms were largely immunized against liability for mass user infringement while content owners were forced to play a futile “whack a mole” enforcement game.

There remains room for debate about how copyright law should be adapted, and how licensing and revenue-sharing arrangements should be structured, in a manner that addresses the interests of all stakeholders in the AI ecosystem. That debate will play out in the courts and the marketplace.

However, it is increasingly clear that those arrangements will have to exhibit a meaningful effort to deliver adequate compensation to the artists and entities that ultimately fuel the digital ecosystem.

This article does not necessarily reflect the opinion of Bloomberg Industry Group, Inc., the publisher of Bloomberg Law, Bloomberg Tax, and Bloomberg Government, or its owners.

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San Francisco federal judge skeptical of \$1.5B copyright settlement with Anthropic

DJ[dailyjournal.com/articles/387417-san-francisco-federal-judge-skeptical-of-1-5b-copyright-settlement-with-anthropic](https://www.dailyjournal.com/articles/387417-san-francisco-federal-judge-skeptical-of-1-5b-copyright-settlement-with-anthropic)[Bookmark](#)**Litigation & Arbitration,****Intellectual Property,****Class Action**[Share](#)

Sep. 10, 2025

Senior U.S. District Judge William Alsup said he was disappointed with unanswered questions in a proposed \$1.5 billion settlement between authors, publishers and the AI company, best known for the chatbot Claude.

Senior U.S. District Judge William Alsup

A San Francisco federal judge postponed ruling on a motion for preliminary approval of the proposed \$1.5 billion settlement of a copyright infringement class action between authors and publishers and Anthropic PBC, maker of the AI assistant, Claude.

Senior U.S. District Judge William Alsup voiced dissatisfaction with the agreement and asked for further clarifying information.

The judge wrote on Sunday that he was "disappointed that counsel have left important questions to be answered in the future," and expressed other concerns during a Monday hearing.

Alsup instructed the parties to submit final versions of the list of works and class members by noon on Sept. 15, as well as clarifications of the claim form a week later. He scheduled a hearing on Sept. 25. *Bartz et al. v. Anthropic PBC*, 24-cv-05417 (N.D. Cal., filed Aug. 19, 2024).

"We'll see if I can hold my nose and approve it" on that date, the judge said, according to The Associated Press.

During Monday's hearing, Alsup asked if the scheduled December trial date should be put back on the calendar, but attorneys said to wait while they address his questions. He agreed.

The proposed settlement would resolve one of the major lawsuits between authors who accused an AI company of using pirated books to train large language models, or LLMs, and could serve as a model for future agreements.

But it must first be approved by Alsup, a longtime district judge known for asking a host of skeptical questions.

Under the terms of the proposed settlement, authors and publishers would be paid \$3,000 for each title covered by the agreement.

The judge previously ruled that using books without permission to train AI was fair use if they were acquired legally but that Anthropic could not claim fair use for downloading and storing pirated books, a decision the company was appealing before the settlement was announced.

Anthropic's attorneys - with Cooley LLP, Arnold & Porter Kaye Scholer LLP, Morrison & Foerster LLP and Lex Lumina LLP - asked the 9th U.S. Circuit Court of Appeals to hold the appeal in abeyance Aug. 26 after the tentative settlement was announced. The appellate court granted that motion two days later.

Neither the company nor its lawyers responded to emails seeking comment.

Law firms representing the plaintiffs, led by Susman Godfrey LLP and Lieff Cabraser Heimann & Bernstein LLP, declined comment.

#387417

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California Brief

OpenAI Says Authors Must Show Industry Harm Evidence in AI Suit

Sept. 9, 2025, 3:03 PM PDT

OpenAI Inc. asked a federal judge to force authors suing the company over its AI training to hand over documents backing up their allegations that ChatGPT adversely changed financial trends in the book industry.

OpenAI said it needed the information because the plaintiffs' "market harm" argument is a "core" issue in the lawsuit and asked for an informal discovery conference to resolve the dispute, according to two separate motions to compel addressed to Magistrate Judge Ona T. Wang and filed Monday in the US District Court in the Southern District of New York.

"Having chosen to place alleged book-industry harm at the heart of their claims, they cannot deny OpenAI discovery necessary to test those assertions," OpenAI wrote.

That part of the plaintiffs' argument—that ChatGPT has undermined the value of their work by flooding the market with similar works—affects the fourth factor of the fair use analysis under copyright law, which is a key defense tech companies have waged to argue their AI training was not copyright infringement.

OpenAI asked the class plaintiffs—including authors from merged lawsuits brought by those including the Authors Guild and Paul Tremblay—to admit they aren't aware of any ChatGPT outputs containing more than 100-word verbatim copies, full copies, and substitutes of the asserted works in the copyright lawsuit, according to one of two letters addressed to Wang. The other asked the court to compel the class plaintiffs to produce documents on financial trends in the book industry since 2018, including changes to book-related compensation, the demand for books, prices, and the impact of generative AI on some of those factors.

The requests for production seek "discovery into how the book industry has fared over time, both before and after ChatGPT was launched, to discern the magnitude (if any) of claimed harm," OpenAI wrote.

The class plaintiffs from California federal court agreed to produce those documents, but the New York plaintiffs have refused, OpenAI said.

The class plaintiffs' counsel didn't immediately respond to a request for comment.

Although the plaintiffs said at an Aug. 12 status conference OpenAI's requests for admissions need extra work done by expert consultants to generate substitute outputs, the tech company insisted the admissions its seeking are about plaintiffs' own knowledge and not what experts would come up with in their investigation. They were ordered by the court to provide responses by Aug. 15 but didn't admit or deny any of the points and "instead merely reiterate their objections and restate non-responsive generalized market harm allegations," OpenAI said.

Keker, Van Nest & Peters LLP; Latham & Watkins LLP; and Morrison & Foerster LLP represent OpenAI. Susman Godfrey LLP, Lieff Cabraser Heimann & Bernstein LLP, Cowan, Debaets, Abrahams & Sheppard LLP, Joseph Saveri Law Firm, Cafferty Clobes Meriwether & Sprengel LLP, and Boies Schiller Flexner LLP represent the class plaintiffs.

The case is In Re: OpenAI, Inc. Copyright Infringement Litigation , S.D.N.Y., No. 1:25-md-03143, motions filed 9/8/25 .

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California Brief

California Cleared to Restrict Addictive Social Media Feeds (2)

Sept. 9, 2025, 10:06 AM PDT; Updated: Sept. 9, 2025, 4:06 PM PDT

California can enforce the core component of a law prohibiting minors in the state from accessing “addictive algorithms” on social media, a federal appeals court ruled Tuesday, a blow to the tech industry’s campaign against state internet regulations.

A three-judge panel for the US Court of Appeals for the Ninth Circuit said the tech industry trade association NetChoice LLC had mostly failed to show that key provisions of the Protecting Our Kids from Social Media Addiction Act violate the First Amendment rights of the platforms and their users.

The state law would prohibit social media platforms from providing “personalized feeds” to minor users without parental consent, as well as restricting design features showing the number of likes on a post and an age verification procedure to be implemented in 2027.

The Ninth Circuit’s ruling said NetChoice failed to show that algorithmic social media feeds are a form of expressive, First Amendment-protected speech by the social media companies.

“Some personalized recommendation algorithms may be expressive, while others are not, and that inquiry is fact intensive,” Judge Ryan D. Nelson wrote for the court.

But the ruling said the law’s provision requiring platforms not to show minor users a post’s “like” count is likely unconstitutional.

“NetChoice is largely disappointed in the Ninth Circuit’s ruling, and we will consider all available avenues to defend the First Amendment,” Paul Taske, Co-Director of the NetChoice Litigation Center, said in a statement.

California Attorney General Rob Bonta (D) applauded the ruling in a statement, saying social media companies have shown they are willing to use addictive feeds to target children, “solely to increase profits.”

“It’s time to put families in control,” Bonta said. “We remain confident in the underlying case and are committed to enforcing this law and continuing to vigorously defend it in court.”

NetChoice, which represents Meta Platforms Inc., Snap Inc., X Corp., and other tech giants, sued to block the law before it was set to take effect at the start of 2025, arguing the statute's regulations on how platforms can present content to users violates internet free speech standards. The trade group, which has previously succeeded in blocking California social media regulations, sought a preliminary injunction.

District Judge Edward J. Davila of San Jose, Calif., declined to block the entire law, ruling that algorithmic feeds appear to lack any First Amendment protection. However, he did halt other elements of the law, including restrictions on when notifications can be sent to minors and a requirement that companies disclose the number of minors on their platform.

NetChoice appealed, seeking an injunction against the entire law. The Ninth Circuit agreed to temporarily pause Davila's order while the appeals court heard the case.

NetChoice has initiated a litigation campaign with dozens of cases around the country targeting state laws that regulate social media and e-commerce platforms. The group succeeded in blocking a previous California regulation, known as the Age Appropriate Design Code, with the Ninth Circuit last year agreeing that the statute likely violates the First Amendment.

At Ninth Circuit oral arguments in NetChoice's challenge to the addictive algorithms law, Nelson likened the social media industry to tobacco companies trying to fend off regulation.

But his Tuesday opinion didn't go that far, instead saying the question of whether a algorithmic feed is a form of speech "is a novel question, and we are careful not to decide more than necessary" especially given the thin factual record.

Judges Michael Daly Hawkins and William A. Fletcher joined the opinion.

Lehotsky Keller Cohn LLP, Benbrook Law Group PC, and Baker Botts LLP represents NetChoice.

The case is NetChoice LLC v. Bonta , 9th Cir., No. 25-146, 9/9/25 .

(Adds comment from state attorney general in eighth paragraph.)

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9th Circuit upholds most of California's social media law

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[dailyjournal.com/articles/387419-9th-circuit-upholds-most-of-california-s-social-media-law](https://www.dailyjournal.com/articles/387419-9th-circuit-upholds-most-of-california-s-social-media-law)

9th Circuit Judge Ryan D. Nelson

A 9th U.S. Circuit Court of Appeals on Tuesday affirmed most of a district judge's partial denial of a technology trade group's attempt to enjoin a California social media law but postponed a key question over the statute's age-verification requirements as unripe because they do not go into effect until 2027.

"What's more, without knowing what age-verification the Act will require, we cannot determine whether those procedures unconstitutionally chill the speech of users," 9th Circuit Judge Ryan D. Nelson wrote for the panel. "Given this factual finding by the district court, which is not clearly erroneous, NetChoice is unlikely to prevail on the merits of this facial challenge."

"NetChoice cannot assert third-party interests separate from its members," he added. "So if internet users believe that the age-verification requirement will burden their speech, they must raise their own challenge."

The panel held that NetChoice -- which represents Alphabet Inc., which owns YouTube; and Meta Platforms Inc., which operates Facebook and Instagram, as well as X Corp. -- does not have associational standing to bring an as-applied challenge to the central provision of the Protecting Our Kids from Social Media Addiction Act - its ban on "personalized" feeds.

"NetChoice's challenges to the personalized-feeds provisions fail because it lacks associational standing for its as-applied challenge and because it has not marshalled an adequate record to support its facial challenge," Nelson wrote. [NetChoice LLC v. Bonta](#), 2025 DJDAR 8748 (9th Circ., filed Jan. 2, 2025).

Citing a July 2024 U.S. Supreme Court decision, he ruled that personalized algorithms "might express a platform's unique message to the world, or they might reflect users' revealed preferences to them. Knowing where each NetChoice member's algorithm falls on that spectrum reasonably requires some individual platforms' participation." [Moody et al. v. NetChoice LLC et al.](#), 2024 DJDAR 6138 (S. Ct., filed Sept. 21, 2022).

"The district court decided it needed more information-- and the participation of individual members -- to adjudicate NetChoice's 'fact-intensive' claims about all of its members' algorithms and the appropriate relief," Nelson continued. "After *Moody*, the district court's holding was not arbitrary, irrational, or contrary to law."

The panel also upheld SB 976's private-mode default, which limits minors' posts to friends, concluding it does not reflect a content preference and is adequately tailored to the state's interests.

But the panel ruled that the "like-count default" -- hiding the number of likes and shares from minors' feeds -- is content-based and likely fails strict scrutiny, directing Senior U.S. District Judge Edward J. Davila of San Jose to enjoin enforcement of that provision.

With that one exception, Nelson affirmed Davila's injunction, which challenged the law on First Amendment grounds. Senior 9th Circuit Judges William A. Fletcher and Michael Daly Hawkins concurred.

The trade association did not return a request for comment asking if it planned to seek en banc review of the three-judge panel decision as of press time.

"NetChoice is largely disappointed in the 9th Circuit's ruling, and we will consider all available avenues to defend the First Amendment," said Paul Taske, Co-Director of the NetChoice Litigation Center. "California's law usurps the role of parents and gives the government more power over how legal speech is shared online.

"By mandating mass collection of sensitive data from adults and minors, it will undermine the security and privacy of families, putting them at risk of cybercrime such as identity theft," he added.

Attorney General Rob Bonta praised the ruling, which allows some provisions of the law to take effect immediately.

"We are pleased the court has allowed the majority of SB 976's requirements to come into effect. Our children cannot wait," he wrote in a statement. "Companies have blatantly shown us that they are willing to use addictive design features, including algorithmic feeds and notifications at all hours of the day and night, to target children and teens, solely to increase their profits."

#387419

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Ninth Circuit sides with California over regulating minors' 'addictive' social media feeds



[courthousenews.com/ninth-circuit-sides-with-california-over-regulating-minors-addictive-social-media-feeds](https://www.courthousenews.com/ninth-circuit-sides-with-california-over-regulating-minors-addictive-social-media-feeds)

Matt Simons

September 9, 2025

FILE - A child holds an iPhone at an Apple store on Sept. 25, 2015 in Chicago. (AP Photo/Kiichiro Sato, File)

SAN FRANCISCO (CN) — A panel of Ninth Circuit judges mostly [upheld](#) a [lower court decision](#) on Tuesday, allowing California to move forward with a law regulating minors' access to addictive social media algorithms.

In its [40-page ruling](#), the panel affirmed all but one part of a lower court decision, declining a bid from NetChoice, one of the most powerful tech lobbying groups active today, to thwart the Golden State law.

“For the most part, the district court got it right,” U.S. Circuit Judge Ryan D. Nelson wrote for the panel.

The decision was largely a win for California, which was [sued](#) last year by NetChoice, claiming violations of its members' First Amendment rights.

NetChoice, a trade group representing major tech companies, argues the firms it represents facilitate speech protected by the First Amendment. Founded in 2001, the group has grown in influence and is currently pursuing multiple active lawsuits related to state internet regulations.

On appeal, the panel rejected its claim that the state's [Protecting Our Kids from Social Media Addiction Act](#), passed last year, was “unconstitutionally vague.”

“Like many Americans, California thinks personalized feeds work too well,” Nelson, a Donald Trump appointee, wrote for the panel. “California worries that our children and youth are becoming addicted.”

The panel also ruled that the law's provision requiring companies to create a private mode for minors, preventing strangers from viewing or responding to children's posts, survived intermediate scrutiny under the First Amendment.

“While not perfectly tailored, this restriction is narrowly tailored,” the panel ruled.

Additionally, the panel ruled that NetChoice's challenges to the law's age-verification provisions weren't yet ripe for the court to address, since the act doesn't require companies to perform any age verification before 2027.

The panel disagreed with the lower court on one point in the ruling, the Act's rule barring minors' accounts from showing like or share counts by default.

The panel held that this requirement was "likely unconstitutional" and reversed the lower court's denial of an injunction as to this element.

The panel remanded the case back to the lower court with instructions to modify its injunction, blocking the like-count provision.

A spokesperson for NetChoice said it was "largely disappointed" with the Ninth Circuit's ruling.

"California's law usurps the role of parents and gives the government more power over how legal speech is shared online," said Paul Taske, Co-Director of the NetChoice Litigation Center. "By mandating mass collection of sensitive data from adults and minors, it will undermine the security and privacy of families, putting them at risk of cybercrime such as identity theft."

Meanwhile, a spokesperson for the California attorney general's office said it was pleased the court will allow the majority of the law to take effect.

"Our children cannot wait. Companies have blatantly shown us that they are willing to use addictive design features, including algorithmic feeds and notifications at all hours of the day and night, to target children and teens, solely to increase their profits," the office said in a press release.

The panel's decision is the latest in NetChoice's battle with California over the state's attempts to regulate social media feeds and personalized algorithms.

The California [law](#), passed in September 2024, bars social media platforms from giving minors addictive feeds without parental consent.

Families can bypass the restrictions with consent if they don't share the state's concerns about internet addiction.

NetChoice [sued](#) California over the law in November 2024, arguing that the law violates the First Amendment.

In its 34-page [lawsuit](#), NetChoice argued that the personalized feeds found on social media sites, which bear colorful titles like “For You,” “Following” and “Landing,” amount to expressive activity on the companies’ part, and as such should be protected.

“The Act would fundamentally limit the expressive activity of NetChoice members by restricting how and when they can disseminate personalized feeds,” NetChoice said in the suit.

The group further argues that the law’s definition of an addictive feed is unconstitutionally vague. It claims that the act’s use of language like “significant part” and “primary purpose” in defining what an addictive feed is leaves websites in the dark as to what conduct is actually prohibited.

The group seeks a declaration that the statute is unlawful and an injunction preventing the law from being enforced for its member companies, which include Amazon, Google, Lyft, Meta, PayPal, Snap, Waymo and X, formerly Twitter.

A federal judge [blocked](#) California from enforcing certain parts of the law in December, finding it may infringe tech companies’ First Amendment rights. However, the judge largely still allowed the Golden State to enforce it.

NetChoice appealed the district court’s denial of an injunction in January. The court expedited proceedings and heard [oral arguments](#) in April.

The panel was rounded out by U.S. Circuit Judges Michael Daly Hawkins and William A. Fletcher, both Bill Clinton appointees.

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Ninth Circuit Upholds Much of California's Social Media 'Addiction' Law

A unanimous Ninth Circuit panel said tech companies failed to prove that most of the law's restrictions on social media features aimed at kids are unlawful.

September 09, 2025 at 07:46 PM By  **Cheryl Miller**



Judge Ryan Nelson of the U.S. Court of Appeals for the Ninth Circuit at the Federalist Society National Lawyers Convention held at the Mayflower Hotel in Washington, D.C., in November 2019. Photo: Diego M. Radzinski/ALM

The U.S. Court of Appeals for the Ninth Circuit has greenlighted most of the provisions in a California law aimed at limiting kids' access to "addictive" social media.

A three-judge panel on Tuesday largely rejected tech companies' arguments that the Protecting Our Kids From Social Media Addiction Act should be enjoined because it is too vague and violates the First Amendment with its online regulations.

"For the most part, the district court got it right," U.S. Senior Circuit Judge Ryan Nelson wrote in a 40-page [opinion](#) upholding a December 2024 ruling by U.S. District Judge Edward Davila. Nelson's opinion was joined by Senior Circuit Judges Michael Day Hawkins and William Fletcher.

The decision allows much of the provisions restricting kids' access to algorithmic feeds to stay in effect while the underlying litigation continues.

"We are pleased the court has allowed the majority of SB 976's requirements to come into effect," Attorney General Rob Bonta said in a prepared statement. "Our children cannot wait. Companies have blatantly shown us that they are willing to use addictive design features, including algorithmic feeds and notifications at all hours of the day and night, to target children and teens, solely to increase their profits."

Officials at plaintiff NetChoice, a trade association whose members include Google, Meta and X, said they "will consider all available avenues" to continue challenging the law.

"California's law usurps the role of parents and gives the government more power over how legal speech is shared online," Paul Taske, co-director of the NetChoice Litigation Center, said in a prepared statement.

NetChoice's lawsuit is among the most recent challenges to California's efforts to enact child safety and privacy-related internet regulations in the absence of superseding federal rules. The trade association has also sued to block a 2022 state law, the California Age-Appropriate Design Code Act, which limits what online companies can do with information gleaned from minors online.

The Protecting Our Kids From Social Media Addiction Act, signed into law last year, limits children's access without parent approval to so-called addictive feeds presented to them based on an algorithmic analysis of their user data. It also bans site notifications at night and during school hours, and it requires children's accounts to be set on a default "private" mode that limits access to their posts. Additionally, the law requires platforms to set up age-verification features by 2027.

The Ninth Circuit agreed with Davila that NetChoice lacked standing on behalf of its members, who offer different products and sites, to challenge the law's personal-feed restrictions. The appellate panel also upheld the legality of the privacy mode requirement and found NetChoice's challenge to the 2027 age-verification requirements was premature.

Disagreeing with Davila, the panel concluded that the law's required default hiding of a child's likes, shares and other feedback to posts is likely unconstitutional and blocked its enforcement.

"Enjoining enforcement of this provision does not affect the operation of any other default setting outlined in the Act—much less the other provisions of the Act regarding personalized feeds or age verification," Nelson wrote in explaining why the provision could be severed from the rest of the law.

A bipartisan group of attorneys general from two-dozen states and the District of Columbia filed an amicus curiae [brief](#) siding with California and arguing that states should have the authority to protect children from health harms caused by social media.

NetChoice was represented in the case before the Ninth Circuit by a team of lawyers from Lehotsky Keller Cohn and Benbrook Law Group. Deputy Attorney General Christopher Kissel argued before the panel on behalf of California Attorney General Rob Bonta's office.

Page printed from: <https://www.law.com/therecorder/2025/09/09/ninth-circuit-upholds-much-of-californias-social-media-addiction-law-/print/>

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California Brief

Companies' Handling of Users Privacy Rights Spurs States' Probe

Sept. 9, 2025, 11:05 AM PDT

Regulators from California, Connecticut, and Colorado are investigating companies' compliance with browser settings which allow users to opt-out of the sharing of their personal data.

The attorneys general of Connecticut, California, and Colorado, as well as the California Privacy Protection Agency, have sent letters to an unspecified number of companies that don't appear to be processing consumer requests to opt out of the sale of their personal data submitted via the Global Privacy Control (GPC), the regulators said in a press release Tuesday.

The GPC is a browser setting that automatically signals consumers' request to stop selling or sharing their personal information to companies.

- The regulators have "identified businesses refusing to honor consumers' requests to stop selling their personal data and have asked them to immediately come into compliance with the law," California Attorney General Rob Bonta said. The three states are "committed to continued collaboration" to enforce consumers' privacy rights and are "paying close attention to business compliance with the Global Privacy Control."
- The GPC is akin to a "stop selling or sharing my data switch" that lets users opt-out of tracking across websites with a single button, Bonta's office explained on its website. The regulators had encouraged consumers to familiarize themselves with the option in January.
- Other details of the sweep were not disclosed.

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Plastics pollution suit against Exxon to proceed in part

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[dailyjournal.com/articles/387421-plastics-pollution-suit-against-exxon-to-proceed-in-part](https://www.dailyjournal.com/articles/387421-plastics-pollution-suit-against-exxon-to-proceed-in-part)

U.S. District Judge Richard Seeborg

ExxonMobil will continue facing legal scrutiny over an alleged role in California's plastic pollution crisis after a federal judge allowed environmental groups' public nuisance lawsuit to proceed, while dismissing an unfair competition claim.

In an order filed Sept. 5, U.S. District Judge Richard Seeborg granted in part and denied in part ExxonMobil's motion to dismiss a case brought by four California environmental nonprofits, including the Sierra Club.

The judge found the plaintiffs had plausibly alleged that ExxonMobil contributed to a public nuisance under California law by knowingly promoting and distributing single-use plastics, known as polymers, that it allegedly knew were non-recyclable and environmentally harmful.

However, Seeborg dismissed the UCL claim, granting plaintiffs 30 days to amend, and rejected ExxonMobil's attempt to strike the complaint under the anti-SLAPP law, citing a public interest exception. *Sierra Club Inc. et al. v. Exxon Mobil Corporation et al.*, 3:24-cv-07288 (N.D. Cal., filed Oct. 18, 2024).

The ruling was issued in one of two nearly identical lawsuits: one brought by the California Attorney General's Office, and the other by environmental groups. While the state's case was remanded to San Francisco Superior Court in February, the nonprofits' case remains in federal court because of diversity.

ExxonMobil has denied any wrongdoing and has appealed Seeborg's remand of the state's case. *State of California et al. v. Exxon Mobil Corporation et al.*, 3:24-cv-07594 (N.D. Cal., filed Nov. 1, 2024).

In opposition briefs, Dawn Sestito and her co-counsel -- Matthew R. Cowan of O'Melveny & Myers LLP in Los Angeles and David J. Lender of Weil Gotshal & Manges LLP in New York - argued both disputes must remain in federal court because the company's alleged business practices invoke questions of federal law related to pollution of public waters, damage to federal enclaves and involved past authorization from federal government officials.

"For decades, the State of California has encouraged people to recycle. ... Yet now, the California Attorney General is suing Exxon Mobil Corporation for saying the same things, as it seeks to hold ExxonMobil solely responsible for 'the plastic waste and pollution crisis,'" the

company said in a response brief to the state case.

Niall P. McCarthy, Grace Y. Park and Tyson Carl Redenbarger of Cotchett Pitre & McCarthy LLP in Burlingame represent the plaintiffs.

"We are very pleased with the Court's ruling and look forward to prosecuting this case through discovery and trial in federal court," McCarthy said in an email Tuesday.

The defense attorneys did not respond to emails requesting comment by press time.

Both lawsuits claim that ExxonMobil engaged in a decades-long campaign to mislead consumers about the effectiveness of plastic recycling, contributing to widespread environmental harm for profit. The environmental groups claim the company promoted single-use plastics as disposable and recyclable, despite internal knowledge that these products were technically and economically impossible to recycle at scale.

Seeborg summed up the plaintiffs' case. "Exxon is the world's largest producer of single-use plastics. ... Because they are derived from oil they ... break down into microplastics that pollute the land, air, sea, and even human bodies. ... These substances are harmful and last, effectively, forever."

#387421

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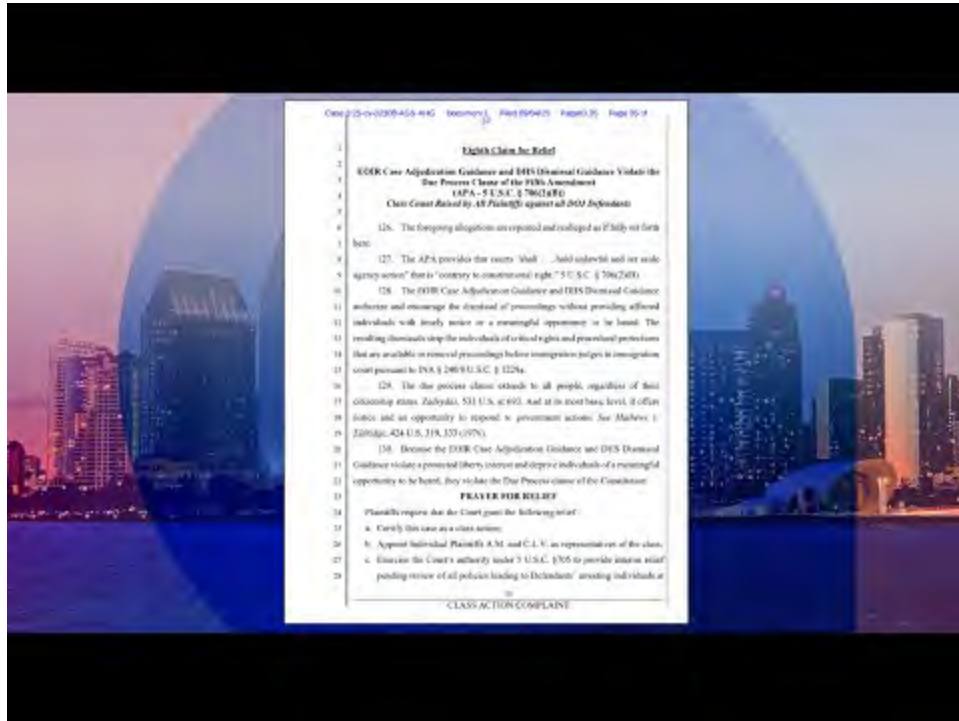
San Diego class-action suit says ICE courthouse arrests are illegal



[kpbs.org/news/border-immigration/2025/09/09/san-diego-class-action-suit-says-ice-courthouse-arrests-are-illegal](https://www.kpbs.org/news/border-immigration/2025/09/09/san-diego-class-action-suit-says-ice-courthouse-arrests-are-illegal)

<https://www.kpbs.org/staff/gustavo-solis>

September 9, 2025



Watch Video: <https://youtu.be/9h3ARbkHSFw>

A San Diego law firm filed a class action lawsuit late last week asking a federal judge to stop Immigration and Customs Enforcement (ICE) agents from arresting asylum seekers at immigration court.

“We’re asking the judge to declare that the agency’s behavior is unlawful,” said Kimberly Hutchison, a civil rights lawyer with locally based Singleton Schreiber.

The firm filed the suit on behalf of two asylum seekers who were [arrested at San Diego’s immigration court earlier this year](#). The class action argues that courthouse arrests violate the constitutional rights of asylum seekers and delegitimize the integrity of the legal process.

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“You can’t just take away someone’s liberty without giving the process to determine whether that is an appropriate decision,” Hutchison said. “They are doing it across the board and that’s a violation of due process.”

The class, as defined in the lawsuit, is limited to people actively seeking asylum who do not have a criminal record and have already been determined not to be a flight or public safety risk.

Neither of the two asylum seekers identified in the lawsuit have a criminal record. They also regularly attended all their immigration court hearings, Hutchison said.

“These are the quintessential people that can be trusted to remain out in the community,” she added.

Aside from claiming to erode trust in the immigration court system, lawyers argue courthouse arrests are traumatizing to their clients by subjecting them to unnecessary detention.

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ICE did not respond to questions from KPBS about the lawsuit.

An abrupt change in policy

During the Biden administration, the Department of Homeland Security (DHS) explicitly prohibited courthouse arrests.

According to a 2021 memo, the agency explained its rationale against courthouse arrests, “so as to not unnecessarily impinge upon the core principle of preserving access to justice.” The memo explicitly defined a “courthouse” as any municipal, county, state, federal, tribal, or immigration court.

But in January, Trump administration officials suspended the 2021 memorandum and a separate Biden-era policy [against arresting individuals in sensitive areas like schools, hospitals and courthouses](#).

In San Diego, ICE agents began arresting people in immigration court on May 22.

Courthouse arrests are part of a larger legal strategy meant to speed up Trump’s mass deportation campaign.

The strategy involves government lawyers asking immigration judges to dismiss immigration cases of people who have been in the country less than two years. Once those cases are dismissed, ICE agents can rearrest those individuals and place them in a fast-track deportation process called expedited removal.

It’s unclear how many people have been arrested in San Diego’s courthouse, but immigration lawyers and activists say federal agents arrest about 10 people each day.



[Gustavo Solis](#)

Gustavo became the Investigative Border Reporter at KPBS in 2021. He was born in Mexico City, grew up in San Diego and has two passports to prove it. He graduated from Columbia University's School of Journalism in 2013 and has worked in New York City, Miami, Palm Springs, Los Angeles, and San Diego. In 2018 he was part of a team of reporters who shared a Pulitzer Prize for explanatory journalism. When he's not working - and even sometimes when he should be - Gustavo is surfing on both sides of the border.

[See stories by Gustavo Solis](#)

2nd Circuit to Hear Appeal in Lawsuits Tying Tylenol to Autism

The Oct. 6 oral arguments come as U.S. Department of Health and Human Services Secretary Robert Kennedy announced on Tuesday a new Make America Healthy Again report that flags rising autism rates.

September 09, 2025 at 05:28 PM By  **Amanda Bronstad**

What You Need to Know

- According to the Wall Street Journal, an upcoming HHS report was expected to suggest a potential link between Tylenol, when taken by pregnant women, and autism.
- In 2023, U.S. District Judge Denise Cote tossed all five of the plaintiffs' general causation experts in the multidistrict litigation, which comprises 600 lawsuits alleging prenatal use of acetaminophen, such as Tylenol, causes autism spectrum disorder and attention-deficit/hyperactivity disorder (ADHD).
- Ashley Keller, of Keller Postman, is up against Kirkland & Ellis partner Jay Lefkowitz, who represents Kenvue, the former Johnson & Johnson subsidiary that makes Tylenol



Ashley Keller, with Keller Postman. Courtesy photo

Lawyers alleging that prenatal use of Tylenol increases a child's chance of developing autism will attempt to instate their lawsuits next month after a federal judge tossed their scientific experts.

The Oct. 9 oral arguments before the U.S. Court of Appeals for the Second Circuit come as Department of Health and Human Services Secretary Robert Kennedy released a Make America Healthy Again report on Tuesday outlining the Trump administration's objectives to combat chronic diseases in children. According to [a Sept. 5 article](#) in the Wall Street Journal, an upcoming HHS report was expected to suggest a potential link between Tylenol, when taken by pregnant women, and autism.

In a livestream of Tuesday's announcement, Kennedy cited autism rates among the 128 issues relating to childhood chronic diseases, such as diabetes and ultra-processed foods. President Donald Trump, he said, is "particularly concerned" about the rising rate of autism, now at one in 31 kids.

Keller told Law.com there could be opportunities to keep the Second Circuit apprised of new developments, such as the MAHA report and, "depending on what HHS does and when they do it, we'll keep our options open to exercise that."

At issue in the Second Circuit appeal is the science. In 2023, U.S. District Judge Denise Cote, of the Southern District of New York, granted summary judgment for the defense after tossing all five of the plaintiffs' general causation experts in the multidistrict litigation, which comprises 600 lawsuits alleging prenatal use of acetaminophen, such as Tylenol, causes autism spectrum disorder and attention-deficit/hyperactivity disorder (ADHD).

"While of course judges have a gatekeeping role and determine whether the expert applied his or her methods or principles, it does not include a judge weighing in the studies and deciding which are stronger or weaker," Keller said. "It doesn't include a judge determining one side of a scientific debate is more correct than the other. And it definitely doesn't include a judge making up rules of science."

Keller, of Chicago's Keller Postman, is up against Kirkland & Ellis partner Jay Lefkowitz, in New York, who represents Kenvue, the former Johnson & Johnson subsidiary that makes Tylenol.

Lefkowitz did not respond to a request for comment.

'It Matters to Get This Right'

The litigation is among the most closely watched mass torts in the country given that acetaminophen is practically the only pain reliever that doctors say is safe for pregnant women.

Cote [allowed the lawsuits to move ahead](#), rejecting then-Johnson & Johnson Consumer Inc.'s move to dismiss the cases under federal preemption.

Plaintiffs had proposed a label change to state: "Some studies show that frequent use of this product during pregnancy may increase your child's risk of autism and attention deficit hyperactivity disorder. If you use this product during pregnancy to treat your pain and/or fever, use the lowest effective dose for the shortest possible time and at the lowest possible frequency."

Cote invited the U.S. government, including the U.S. Food and Drug Administration, to review the proposed label. In a 148-page summary judgment opinion, Cote found that the plaintiffs' experts were unreliable.



Denise L. Cote - U.S. District Court Judge for the Southern District of New York..061015

"The issues explored by this litigation have great public health significance," she wrote. "It matters to get this right. It matters to parents, their children, and their health care providers."

On appeal, Keller's brief criticized the ruling's attempt to make policy decisions, rather than evaluate scientific experts under the Federal Rule of Evidence 702.

"Rule 702 has never granted a district-court judge the power to determine expert admissibility based on her view of the policy consequence, mostly especially when they are of 'great public health significance,'" he wrote.

Keller, who, on Oct. 10, will argue to reinstate lawsuits over heartburn medication Zantac before the U.S. Court of Appeals for the Eleventh Circuit, said the acetaminophen appeal has broader implications about how judges evaluate expert evidence. In Zantac, U.S. District Judge Robin Rosenberg, of the Southern District of Florida, struck all 10 plaintiffs' experts in the multidistrict litigation in 2022.

“One might say there is an increasing trend towards judges interpreting their role as allowing even stricter gatekeeping that is potentially leading to cases being dismissed,” he said.

‘Unwarranted Expansion of the Judicial Gatekeeping Role’

Acetaminophen plaintiffs got amici support from four law professors, including University of California, Berkeley School of Law Dean Erwin Chemerinsky, who called the ruling “an alarming and unwarranted expansion of the judicial gatekeeping role.” American Association for Justice, in a separate amicus brief, focused on the ruling’s violation of plaintiffs’ Seventh Amendment right to a jury trial.

“Judicial usurpation of the proper role of the jury, as in this case, has become a more common occurrence as a result of an aggressive campaign to devalue and discredit the notion that ordinary Americans should hold powerful corporations accountable,” the AAJ brief says. “Empirical research confirms that Americans who serve as jurors are fully capable of properly evaluating and making factual determinations based upon expert testimony.”

In response, Kenvue joined more than a dozen other companies, most of which sell or make generic acetaminophen, such as Walmart and CVS, in a combined defense brief insisting Cote’s order should be affirmed. Kenvue got the support of the U.S. Chamber of Commerce and Lawyers for Civil Justice.

Kenvue’s brief says the ruling aligns with the FDA’s position and leading medical organizations, such as the American College of Obstetricians and Gynecologists, the brief says.

“Plaintiffs’ general-causation experts sought to buck the professional consensus, but could do so only by employing unreliable, results-driven methodologies,” the brief says.

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Securities Law

Manage Newsletters

Calpers Pension Fund to Tap Gensler Aide at SEC as Legal Chief

Sept. 10, 2025, 8:58 AM PDT

The California Public Employees' Retirement System is eying a senior adviser to former SEC Chair Gary Gensler as its next top lawyer.

Prashant Yerramalli, who left the Securities and Exchange Commission in 2022, will become the general counsel of the largest US public pension fund, so long as he passes the California Bar Examination in February, Calpers said Tuesday. He will serve as a special adviser to Calpers starting in October.

Yerramalli was the SEC's chief of staff under Gensler and former acting Chair Allison Lee from 2021 to 2022. The agency during Yerramalli's tenure advanced various environmental, social, and governance initiatives, including a proposal that led to disclosure requirements for corporate greenhouse gas emissions. Calpers backed the climate rules, which have been paused by the agency amid litigation.

"Prashant brings a wealth of experience in public sector law, corporate governance and fiduciary responsibility to CalPERS," Chief Executive Officer Marcie Frost said in a statement.

- Yerramalli most recently was vice president of operations and regulatory affairs for online investing platform Public.com.
- He also worked as an SEC enforcement attorney and counselor to agency Commissioner Robert Jackson and had stints at Brookfield Asset Management, Jenner & Block LLP, and Wilmer Cutler Pickering Hale and Dorr LLP.
- Yerramalli would succeed Matt Jacobs, who retired this year after serving as Calpers general counsel since 2014.

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Securities Law News

Fifth Third Discovers Fraud at Borrower, to Recognize Charge (1)

Sept. 9, 2025, 2:00 PM PDT

(Updates with 3Q provisions forecast.)

Fifth Third discovered alleged external fraudulent activity at a commercial borrower and expects to recognize an impairment charge in the third quarter.

- Activity at a commercial borrower of Fifth Third Bank, National Association associated with asset-backed finance loan
- The outstanding balance on loan is about \$200 million
- Expects charge will be in the range of \$170 million to \$200 million
- Bank engaged third party advisers to validate the extent of its potential fraud related losses
- In a slide presentation, Fifth Third said it expects provision for credit losses in the third quarter of \$220 million to \$250 million, including the loan impairment

To view the source of this information, [click here](#)

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JPMorgan Chase & Co**JPMorgan and Fifth Third face losses tied to troubled subprime auto lender**

Auto finance group Tricolor specialises in making loans to riskier borrowers



JPMorgan has a similar level of exposure to Tricolor to that of Fifth Third, according to a person familiar with the matter © Reuters

Akila Quinio in New York

Published 3 HOURS AGO | Updated 06:20



US banks including JPMorgan and Fifth Third face hundreds of millions of dollars in losses from their exposure to subprime auto lender Tricolor Holdings, according to people familiar with the matter.

The potential losses came to light after regional lender Fifth Third on Tuesday disclosed it would impair the bulk of a \$200mn loan after it discovered “fraudulent activity” by one of its corporate clients.

The borrower in question was subprime auto lender Tricolor, according to one of the people. Wall Street bank [JPMorgan](#) had similar levels of exposure to the subprime car finance lender, another person said.

Tricolor did not immediately respond to requests for comment.

Ohio-based Fifth Third on Tuesday said that it had “recently discovered alleged external fraudulent activity at a commercial borrower” in a filing to the Securities and Exchange Commission.

“Last week, we became aware of an issue at a client where we provide one of their asset-backed warehouse facilities,” Fifth Third chief executive Timothy Spence said at the Barclays banking conference in New York on Wednesday. “It appears there’s significant fraud in the collateral file that was used.”

As a result, Fifth Third planned to book an impairment charge worth \$170mn or more on a \$200mn asset-backed finance loan to the customer in its next set of earnings, it added.

Tricolor “utilises advanced data analytics and technology to advance financial inclusion to a highly underserved Hispanic market”, according to its LinkedIn profile. The company sells used vehicles through its brands Tricolor in Texas and Ganas in California.

The group also makes loans to consumers, which it packages up and sells on to investors in the form of asset-backed securities.

Fifth Third declined to identify the borrower or give details about the alleged fraud but said in its regulatory filing it was working with “appropriate law enforcement authorities in connection with this matter”. The bank has \$210bn in assets and its footprint is concentrated largely in the US Midwest.

Fifth Third and JPMorgan declined to comment.

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JPMorgan Chase & Co

Akila Quinio

Securities Law News

JPMorgan, Fifth Third Among Banks Facing Losses Tied to Tricolor

Sept. 9, 2025, 9:07 PM PDT

JPMorgan Chase & Co., Fifth Third Bancorp and Barclays Plc are among banks bracing for potentially hundreds of millions of dollars in combined losses from loans tied to subprime auto lender Tricolor Holdings, according to people with knowledge of the matter.

Fifth Third said in a regulatory filing Tuesday that it faced an impairment charge of up to \$200 million after discovering alleged fraudulent activity at a commercial borrower, which it didn't identify. The bank said it was working with law enforcement authorities.

The lenders are looking into whether collateral for warehouse lines was double-pledged, said some of the people, who asked not to be identified because of the potential for a probe by authorities.

Tricolor focuses on lending to borrowers across the US southwest who typically have poor or no credit scores. It funds the loans at least in part by packaging them into asset-backed securities to sell to bond investors, most recently selling a \$217 million bond in early June, an offering led by JPMorgan and Barclays.

JPMorgan, Barclays and Fifth Third have been warehouse lenders to Tricolor, according to people with knowledge of the matter.

Daniel Chu, Tricolor's chief executive officer, and other executives at the company didn't respond to multiple requests for comment. Representatives for Fifth Third, JPMorgan and Barclays declined to comment.

There's an outstanding balance of about \$200 million on Fifth Third's asset-backed finance loan in question, according to the filing. Fifth Third expects to take a non-cash charge of \$170 million to \$200 million in the third quarter related to that loan.

Such loans are typically backed by streams of contractual cash flows tied to a defined pool of assets, such as consumer loans or mortgages.

Tricolor's asset-backed securities were trading lower this week after Spanish language news outlet Univision reported that the company has furloughed most of its staff.

Shares of Fifth Third dropped 2.5% to \$44.30 in late trading at 5:47 p.m. in New York.

Tricolor has sold almost \$2 billion worth of asset-backed securities since 2022, many of which remain outstanding, according to data compiled by Bloomberg. It did its first such deal in 2018.

Tricolor has focused on lending to undocumented immigrants, a strategy that drew scrutiny earlier this year after President Donald Trump vowed to curb illegal immigration. Individuals can apply for financing with Tricolor without a Social Security number or credit history, according to its website.

Its lending has surged to about \$1 billion of auto loans each year, close to five times its volume in 2020, according to a KBRA report.

(Updates with added details in the last three paragraphs)

--With assistance from **Yizhu Wang**.

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Humphrey's Executor Executed In Broad Shadow Docket Slaying



abovethelaw.com/2025/09/humphreys-executor-executed-in-broad-shadow-docket-slaying

Joe Patrice

September 8, 2025



Are you there, Donald? It's me, John. (Photo by Jabin Botsford – Pool/Getty Images)

Exercising tremendous restraint, Chief Justice Roberts managed not to write “*Executor?* I hardly knew her!” on this morning’s opinion functionally overruling *Humphrey’s Executor*. Alas, that was the only restraint Roberts mustered today, employing the infamous “shadow docket” to toss 90 years of Supreme Court precedent to fit the dementia-fueled whims of his patron in the White House.

He may be named John, but he’s very much [not the John in this relationship](#).

Donald Trump wants to fire FTC commissioner Rebecca Slaughter, which the FTC’s authorizing legislation and Supreme Court precedent — the aforementioned *Humphrey’s Executor* — forbid. He fired her anyway and she sued. Both the district and appellate court blocked the firing on the grounds that the law, in fact, prevents Trump from doing this.

In reversing the lower courts and allowing Trump to fire Slaughter, it's really too bad that Roberts declined to add the glib, two-sentence "hardly knew her" joke, because it would have DOUBLED the number of sentences he devoted to ending nearly a century of precedent. And would've come much closer to providing a coherent justification than anything he did write.

In his annual report, [Roberts chastised judicial critics](#) for failing to understand the opinions. "[Read the opinion](#)," as Justice Barrett would say. So, let's be fair and lay out the precise defense Roberts offers for this bold decision.

Supreme Court of the United States

No. 25A264

DONALD J. TRUMP, PRESIDENT OF THE UNITED STATES, ET AL.,

Applicants

v.

REBECCA K. SLAUGHTER, ET AL.

ORDER

UPON CONSIDERATION of the application of counsel for the applicants,

IT IS ORDERED that the July 17, 2025 order of the United States District Court for the District of Columbia, case No. 1:25-cv-909, is hereby stayed pending further order of the undersigned or of the Court. It is further ordered that a response to the application be filed on or before Monday, September 15th, 2025, by 4 p.m. (EDT).

/s/ John G. Roberts, Jr.
Chief Justice of the United States

Dated this 8th
day of September 2025.

That's it. In fact, that's not even an opinion because he put out the order without an opinion.

This Supreme Court may want to overrule *Humphrey's*, but the fact is that *they have not done so yet*. The shadow docket — or whatever sanitized name the Federalist Society wants to rename it — is where the Supreme Court decides emergency requests while cases work their way through the legal process. In this case, the Trump administration said that it really wanted to fire one of the voting members of the Federal Trade Commission *immediately* rather than wait to see if the Supreme Court eventually overturns established precedent. The typical rules of equitable relief would dictate keeping Slaughter in her position until the matter is decided.

Roberts chose differently based on four key factors:

First, Donald Trump asked him to.

Second, overturning *Humphrey's* through the judicial process that ostensibly applies to everyone equally under the law... takes a lot of time! Think of all the corrupt trade practices that will go unused while we wait to see if *Humphrey's* — which, again, is still technically THE LAW — will be there when a future Supreme Court gets around to it.

Third, ruling on the merits requires writing a decision. The conservatives already tried to thread the *Humphrey's* needle via the shadow docket once, struggling to explain why it's no longer the law to the extent Trump wants to gut consumer protection but IS still the law when it comes to protecting the Federal Reserve from Trump blowing up the stock market. And, as they say, all they got was this lousy [merciless depantsing from Elena Kagan](#). The lesson the Republican justices took from watching their written reasoning get snidely dismantled was... stop writing reasons.

Fourth, Donald Trump asked him to.

Customarily, a shadow docket opinion like this would only apply to Slaughter's case until it reaches the Supreme Court on the merits (or she gives up because this order makes the case fruitless to pursue). That's part of the trade-off: the Supreme Court can take significant action without the benefit of full briefing in part because it's temporary relief, but also because it's restrained to a single matter. But, as the appeal of making up law without the restrictive constraints of the judicial process grew, the justices have rewritten the rules to empower themselves more. "Lower court judges may sometimes disagree with this Court's decisions, but they are never free to defy them," Justice Gorsuch recently wrote, accusing a lower court of correctly applying existing precedent instead of taking an unrelated and unexplained temporary stay and imagining what the law might someday be if the Supreme Court had written a merits decision about that stay!

[It's all Calvinball.](#)

It feels like it was just last week that multiple lower court judges told the media that the Supreme Court's insistence on unexplained opinions unceremoniously overruling decisions that blocked Trump action has resulted in increased threats to their personal safety. That's because it [was just last week](#). In response, Roberts has doubled down, overruling lower courts while refusing to offer any explanation that might counter the White House's own claims that the lower courts were just ["rogue," "unhinged," "outrageous," and "crooked."](#) One might have thought, fresh off a somewhat unprecedented critique from fellow judges over issues as deeply serious as their personal safety and public faith in the rule of law, Roberts would sit down and bang out a few pages attempting to explain that the lower court judges weren't acting in bad faith to thwart Trump's messianic mission.

But [he just doesn't care](#).

Obviously, some judges are outrageous and crooked. That said, it's probably not the ones who wrote detailed opinions citing decades of precedent in blocking Slaughter's firing. It's more likely the sort of judge who doesn't have the guts to explain himself.

Earlier: [Watch The Exact Moment John Roberts Realizes He Whored Himself Out Elena Kagan Does That Thing Elena Kagan Does Where She Humiliates The Majority In A Bold Move, Federal Judges Are Calling Out The Supreme Court's Bullsh*t](#)



is a senior editor at Above the Law and co-host of [Thinking Like A Lawyer](#). Feel free to [email](#) any tips, questions, or comments. Follow him on [Twitter](#) or [Bluesky](#) if you're interested in law, politics, and a healthy dose of college sports news. Joe also serves as a [Managing Director at RPN Executive Search](#).

Securities Law

Manage Newsletters

Trump Media Wants to Launch Red-State REITs, American Icons ETFs

Sept. 10, 2025, 7:48 AM PDT

Summary by Bloomberg AI

AI Generated



- Trump Media & Technology Group Corp. proposed five new ETFs in a regulatory filing, including products focused on US energy and defense companies and a real estate fund targeting Republican-leaning states.
- The company's intent is to build out a financial platform that reflects the political identity of its audience and potentially channel loyalty into flows.
- If approved, the ETFs would enter a crowded market with more than 4,400 products already trading in the US, and critics have pointed to potential conflicts of interest in bringing funds to market in areas where Trump also sets policy.

Donald Trump's social-media company is laying the foundation for a growing suite of exchange-traded funds tied to its "America First" identity, part of a broader effort to convert its retail following into financial muscle.

In a fresh regulatory [filing](#) this week, Trump Media & Technology Group Corp. proposed five new ETFs, including products focused on US energy and defense companies, "American Icons" stocks, and a real estate fund targeting Republican-leaning states. The submissions add to a string of applications the company has filed in recent months, including for crypto-linked vehicles, though none have yet launched.

The latest plans underscore the firm's intent to build out a financial platform that reflects the political identity of its audience – and potentially channel loyalty into flows. If approved, the ETFs would enter a crowded and highly competitive market, with more than 4,400 products already trading in the US.

"On one hand, these are coming into a super crowded market and will have to fight for differentiation and flows," said **Eric Balchunas**, senior ETF analyst at Bloomberg Intelligence. "On the other hand, having a well-known brand in a growing category is a good place to be."

The digital-asset, energy and defense fields are already saturated with a great many ETFs, with more than 80 crypto-minded products alone, data compiled by Bloomberg show. Investors also already have the choice of putting their dollars toward politically oriented products, including the Point Bridge America First ETF, which trades under the ticker MAGA and invests in companies that are supportive of Republican Congressional and political candidates.

Read more: [Trump Media Is Coming for Brokerage Accounts With ETF Push](#)

Critics have pointed to potential conflicts of interest in bringing funds to market in areas where Trump also sets policy. The White House has previously said the president is walled off from his businesses.

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Cryptocurrencies

Shares in bitcoin hoarders sink as 'crypto treasury' mania sours

Fundraisings have continued even as falling share prices leave some companies worth less than their crypto holdings



Shares in Japanese hotelier-turned-bitcoin hoarder Metaplanet have fallen 68% from their peak in June © Chan Long Hei/Bloomberg

Nikou Asgari in London

Published YESTERDAY



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Shares in bitcoin-hoarding companies have tumbled in recent weeks as investors grow increasingly concerned about an overcrowded market, in the first major setback for the “crypto treasury” craze that has swept financial markets this summer.

Strategy, the world's biggest corporate [bitcoin](#) holder, has fallen 18 per cent over the past month to its lowest level since April, dragging down shares in a [slew of groups](#) that have aped founder Michael Saylor's use of a public company to stockpile cryptocurrencies.

Companies across the world this summer rushed to raise debt and equity to buy bitcoin and other tokens such as ether, solana and XRP in an effort to boost their company valuations, enthused by US government support for the [crypto](#) industry. Led by Strategy, many groups' share prices soared to well above the value of the tokens they held, in a sign of investors' belief in this business model.

Following the recent declines, however, some are now trading below the value of the crypto they hold, in a worrying sign for a strategy that relies on an upward spiral of token and share prices.

"This whole thing is starting to show big cracks," said Eric Benoist, tech and data research specialist at Natixis CIB. "Some companies are not going to make it through" if their share prices continued to fall, he said, adding that after the [summer rush](#) to list and buy tokens, "the weaker players are going to be basically wiped out by the market, most likely".

Strategy's shares slip

Share price, \$



Source: LSEG via markets.ft.com

The shares of Japanese hotelier-turned-bitcoin hoarder Metaplanet, Asia's biggest bitcoin holder, have dropped 68 per cent from their peak in mid-June, while those of Smarter Web Company, the UK's biggest bitcoin buyer, are down 70 per cent over the same period.

"It got a bit crazy," said Geoff Kendrick, global head of digital asset research at Standard Chartered. "We had a massive rush, there's a lot of them now," and investors are "taking out a bit of the froth", he said.

The crypto-buying strategy largely relies on issuing shares or raising debt to buy bitcoin and other tokens, hoping that this fuels share price growth. Last year, Strategy's shares rose from about \$60 to a peak of more than \$500. They currently trade at about \$326.

Raising capital becomes harder to do as company valuations fall, however. Benoist said selling new shares to pay bondholders in particular "is not healthy by any means and I think people are realising that".

Shares in Asia's biggest bitcoin-buyer are plunging

Metaplanet share price, ¥



Source: LSEG via markets.ft.com

This summer, scores of executives sought to emulate Saylor's Strategy, with some changing their company names to be more bitcoin-aligned and updating their branding to match the token's orange colour.

Some have sidelined their original business models to focus on buying crypto. Shares in two such groups, US-listed healthcare service company KindlyMD and French tech firm-turned-bitcoin buyer Capital B, have plummeted 68 per cent and 26 per cent respectively over the past month.

Others are vehicles that listed on stock exchanges this summer with the sole aim of raising money to buy tokens. US President Donald Trump has supported the crypto industry and his family business, Trump Media & Technology Group, has raised [billions of dollars](#) to spend on buying tokens. Shares in Alt5 Sigma, a company with which the Trump family set up a crypto treasury last month, have dropped 35 per cent since the [deal was announced](#).

Investors are focused on a company's so-called mNAV — a metric created by Saylor — which is a ratio of its enterprise value (the sum of a company's equity and debt, minus cash) to its crypto holdings. If a company's shares fall so much that it becomes valued less than the tokens it holds, it enters "a danger zone", Benoist said.

Some companies have already reached this stage. US-listed bitcoin miner LM Funding America has an enterprise value of \$23.5mn, according to Financial Times calculations, after its share price halved over the past month, even though its holdings of bitcoin are worth about \$34mn.

Healthcare technology company Semler Scientific has an enterprise value of \$500mn, while its bitcoin holdings are worth about \$557mn.

"If you get to that danger zone it's going to be potentially very difficult to rebound from it," Benoist said, adding that larger companies will probably buy smaller ones to acquire their tokens at a discount.

Despite the recent sell-off, new vehicles are still being launched. On Tuesday, design manufacturing group Forward Industries raised \$1.65bn to launch a solana treasury strategy. Packaging company Eightco Holdings loaded up on [Worldcoin tokens](#) on Monday, sending its shares soaring.

The recent sell-off comes as the price of bitcoin has fallen 9 per cent from its peak of more than \$124,000 last month, as investors broadly sell risky assets. This year, about \$73bn has been raised by companies buying bitcoin and about \$38bn raised to buy ether, according to crypto advisory firm Architect Partners.

The market “got irrationally overheated”, said Tyler Evans, co-founder of investment firm UTXO Management, which is 95 per cent invested in crypto treasury companies.

“The hype is dying down . . . [This summer] was the peak for both hype and for the number of companies launching,” said Evans, who is a board member of several such companies.

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Nikou Asgari

Oracle Corp

Larry Ellison overtakes Elon Musk to become world's richest person

Oracle market value jumps more than \$290bn on AI surge after 'astonishing quarter'



Oracle co-founder Larry Ellison said there was a shortage of computing power needed to run AI models © FT montage/Anna Moneymaker/Getty Images

Richard Waters in San Diego and **Rafe Rosner-Uddin** in London

Published YESTERDAY | Updated 08:25



Larry Ellison has overtaken Elon Musk to become the world's richest person after Oracle's shares surged by more than a third on Wednesday, propelled by the boom in artificial intelligence.

Ellison's stake in the software company, which he co-founded, soared to a value of more than \$397bn on Wednesday afternoon.

This surpassed Musk's total net worth of about \$384bn, according to Bloomberg's Billionaire Index.

Oracle chief executive Safra Catz hailed an "astonishing quarter" in quarterly results on Tuesday evening that included the group signing "four multibillion-dollar contracts with three different customers" in the three months to the end of August.

Those deals helped push Oracle's bookings, which will feed through into future revenue, to \$455bn in the quarter, surpassing analysts' expectations and up from \$138bn in the previous period.

The leap in Ellison's wealth comes as Musk's most valuable business, Tesla, is struggling amid a consumer backlash over the billionaire's involvement with the Trump administration and investor concerns about the president's cancellation of EV initiatives.

Tesla’s share price has fallen by a quarter since December. Musk’s 16 per cent stake in the company is currently worth about \$187bn.

Oracle, which was late to pivot its business into cloud computing services, has benefited from a groundswell in demand for data centre infrastructure from [AI](#) start-ups and other major technology groups.

Wall Street had been primed for a rise in bookings following the disclosure of a new \$30bn-a-year contract Oracle signed in July, but had not anticipated such a steep increase in its book of future business.

This year, Oracle signed a deal to partner with OpenAI and SoftBank on the \$500bn [Stargate project](#).

“An extraordinary \$332bn in bookings in Oracle’s Q1 represents not only the biggest bookings number we’ve ever seen in software, but a fundamental shift in the business model towards data centre operator,” said Keith Weiss, an analyst at Morgan Stanley.

Before Wednesday’s 42 per cent surge to \$344, Oracle’s share price had already gained more than 40 per cent this year. Its market value rose from \$678bn to \$967bn in early trading on Wednesday.

Ellison owns 41 per cent of the company’s shares.

Biggest Market Value Gains

Date	Stock	\$bn added
09-Apr-25	Nvidia	441
09-Apr-25	Apple	395
31-Jul-24	Nvidia	327
10-Sep-25	Oracle	288
22-Feb-24	Nvidia	277
09-Apr-25	Microsoft	267

Source: LSEG, Keith Fray

On a call with investors on Tuesday, Catz said Oracle had signed “significant cloud contracts with a who’s who of AI, including OpenAI, xAI, Meta, Nvidia, AMD and many others”.

Revenue from its infrastructure business would jump from \$18bn this year to \$144bn in five years’ time, she predicted. The forecast was nearly 60 per cent higher than the \$91bn Wall Street expected.

By comparison, revenue at Amazon Web Services, the biggest cloud company, topped \$107bn in its last full year.

The rapid growth has left Wall Street analysts questioning how Oracle will be able to add computing capacity fast enough to handle the new demand, at a time when most [cloud companies](#) have complained of chip shortages.

Rival cloud computing companies Amazon, Microsoft and Alphabet, along with Meta, are on course to spend more than \$350bn between them this year on data centres and other AI infrastructure and more than \$400bn in 2026.

Oracle lifted its capital spending forecast for its fiscal year to the end of next May by \$10bn, to \$35bn. Catz claimed the company was able to generate higher revenues with less capital spending than rivals because it does not invest in buildings and uses its computing equipment more efficiently. "I don't want to call it asset-light . . . but it's asset pretty light."

Oracle has burst on to the scene as a significant player in the cloud market thanks to the heavy computing demands of training new AI models for a handful of customers.

But Ellison said the surge in future demand reflected a shortage of computing to run AI models after they had been trained, known as inferencing.

"People are running out of inferencing capacity," he said on the call with analysts. "The inferencing market is much larger than the training market."

For the latest quarter Oracle reported a 12 per cent gain in revenue, to \$14.9bn, slightly below the \$15bn Wall Street had been expecting. Adjusted net income rose 8 per cent to \$4.3bn, higher than analysts' expectations.

In July, it emerged OpenAI had agreed to lease 4.5 gigawatts of computing power from Oracle in a deal worth about \$30bn a year. The move will entail Oracle developing multiple data centres across the US to satisfy the start-up's computer-processing demands, having already reached a deal to supply a 1.2GW site in Abilene, Texas.

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Peter Thiel's Antichrist Lectures Are a Safe Move for the Palantir Billionaire

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Max Chafkin

September 9, 2025



Peter Thiel.

Photographer: Marco Bello/Getty Images

Businessweek senior reporter , who wrote a biography of Peter Thiel, is here today to discuss the latest headlines about the controversial technologist. And speaking of tech, don't miss Bloomberg's [live coverage of Apple's iPhone launch](#) this afternoon.

If this email was forwarded to you, [click here to sign up](#).

You may have heard that Peter Thiel, the Silicon Valley venture capitalist, is preparing to deliver a four-part lecture series [on the subject of the Antichrist](#)—or the idea of a demonic false messiah who will seek to lead the world astray before the Second Coming. There's something inherently funny about this—and not only because the PayPal cofounder is promoting himself as a Christian theologian. There's just something undeniably a bit Antichrist-y about this particular would-be theologian.

Thiel is a mercurial tech billionaire, with a [side interest in becoming immortal](#), who has spent decades quietly amassing power in politics. He's also a sort of tech industry prophet—admired by ambitious engineers and right-leaning media figures for his exceptional foresight and what many see as an intellectual fearlessness. Last year, appearing on Joe Rogan's podcast, Thiel spent more than three hours weighing in on topics such as the JFK assassination, the crimes of Jeffrey Epstein, the possible existence of aliens and the differences between humans and chimps, among many, many other subjects.



Thiel.

Photographer: Nordin Catic

Thiel came up again on Rogan's [podcast this month](#) when a guest, the conservative comedian Tim Dillon, mocked Thiel's Antichrist lecture series by suggesting it amounted to Thiel's version *If I Did It*, O.J. Simpson's [ostensibly fictionalized confession](#). "He's trying to

prove he's not the Antichrist," Dillon said. "That's probably how the lecture starts. He goes, 'If I was the Antichrist I obviously wouldn't be doing this lecture.'" Rogan flashed a picture of Thiel and suggested he even looked like the Antichrist.

As someone who's spent years reporting on Thiel (while writing my book, [The Contrarian: Peter Thiel and the Rise of the Silicon Valley Oligarchs](#)), I laughed at these jokes. Even so, I feel obliged to say that Rogan, Dillon and others cracking wise on social media have it wrong. Thiel won't end his promised 8-hour [Antichrist extravaganza](#) (16 hours, if you include cocktails, desserts and other time for the Antichrist enthusiasts to mingle) by confessing that he bears the mark of the beast, nor will he profess any other dark allegiances.

Although the series itself is off the record, we know this in part because Thiel has talked at length about the subject publicly, most recently in [a podcast interview](#) with *New York Times* columnist Ross Douthat. Ticket buyers may want to skip the rest of this paragraph, but Thiel's comments about the subject suggest that, in his mind, the Antichrist is less a demonic being and more a way of talking about those on the political left—especially tech skeptics and climate activists, including Greta Thunberg—who he believes are promoting "totalitarian one-world government."

"If Greta gets everyone on the planet to ride a bicycle maybe that's a way to solve climate change, but it has sort of this quality of going from the frying pan into the fire," Thiel said on a [Hoover Institute podcast last year](#), conjuring an image straight out of the Book of Revelation: A diminutive Swede leading a two-wheeled cult.

A Satanic confession this was not. But Thiel has landed on a way of talking about politics that's more surprising than the approach of most of his contemporaries, who've spent the past six months or so competing to see who can most [thoroughly flatter and/or ape](#) President Donald Trump. Among the options: blurt out enormous dollar amounts of planned investments ([as Meta's Mark Zuckerberg did](#) last week at a White House dinner), gift him a 24-carat gold paperweight ([Apple's Tim Cook](#)) or even hand over 10% of your company ([Intel's Lip-Bu Tan](#)).

In this, the tech executives are following an example that Thiel set nine years ago, when he broke with his peers and backed Trump. At the time, few in Silicon Valley (or in corporate America more broadly) were giving the New York developer and reality-TV star a chance at winning the presidency. Thiel helped Trump build business credibility, and Trump's victory in turn vaulted Thiel into a new echelon of power, allowing him to influence aspects of White House policy and positioning his companies to profit tremendously (as Palantir's stock price will attest).

Just as important, as I write in a new edition of my book, [which comes out in paperback today](#), Thiel's support of Trump created a model for Elon Musk to follow in the 2024 campaign. And though Thiel has distanced himself from Trump, he continues to exert influence in Washington by way of a network of protégés and former employees who find themselves in positions of extreme power. This list includes David Sacks, Thiel's friend and PayPal colleague, who enjoyed a prominent place at last week's tech dinner and is Trump's AI and crypto adviser. Jim O'Neill, a longtime aide, is serving as the acting director of the Centers for Disease Control and Prevention. And, of course, there's Vice President JD Vance, whose entrance into politics was bankrolled by Thiel. [The list goes on](#).

One of the secrets to Thiel's long-term success has been his willingness to take money off the table after a big win—to sell his most profitable holdings or find other ways to hedge his risky bets. He has a reputation as a buccaneer, but he often chooses opportune times to play it safe. Thiel did this during Trump's first term, backing away from politics just as the administration was veering into scandal and acrimony, and he seems to be doing it once again.

Trump may be Silicon Valley's favorite alpha dog at the moment, but [polling shows the president is unpopular](#), which could create risks for the tech CEOs who've decided to tie their reputations to his. This dynamic has already stung Musk—who alienated huge swaths of his customer base—and it could come for Cook, Zuckerberg and the other Mar-a-Lago regulars.

Thiel, meanwhile, will be at a relatively safe remove, using his lecture series to brand himself, once again, as the tech industry's lone free thinker. During Rogan's interview with Dillon, both men seemed certain that Thiel had blundered by choosing to promote his Antichrist lectures. "I don't think he understands the optics," Rogan said. But Thiel has played the heel successfully throughout his career—branding Palantir, the data mining company, as a potential "Big Brother" and bragging about his destruction of the media company Gawker as "the most philanthropic thing I've ever done." He isn't the Antichrist, but he knows exactly what he's doing.

Related: [Big Tech Looks to Strengthen Frayed Relationship With Democrats Ahead of Midterms](#)

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In Brief

- Israel conducted [an unprecedented strike](#) against senior Hamas leaders on Tuesday in the Qatari capital of Doha. Get [live updates here](#).
- US [job growth was far less robust](#) in the year through March than previously reported, with the number of workers on payrolls likely be revised down by a record 911,000, or 0.6%.
- President Emmanuel Macron named Sebastien Lecornu to be [France's new prime minister](#).
- House Democrats on Monday released [an alleged birthday note](#) they say Donald Trump sent to Jeffrey Epstein.
- \$3.3 billion That's the value of the settlement the Murdoch family has agreed to, resolving a messy family feud and giving favored son Lachlan Murdoch broad control. The deal ensures that Fox News and the rest of [the family's sprawling media empire](#) will retain its conservative slant.

Lights Out

"They're fighting on multiple fronts, some legal, some not. They just want to see what ultimately hits."

Michael Gerrard

Faculty director of Columbia University's Sabin Center for Climate Change Law

The Trump administration is [going to war](#) with established climate science. Mass firings, regulatory rollbacks, program closures and funding cuts across agencies have compromised the nation's ability to gather and assess data on climate change.

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'Open Questions' Raised About Live Nation Arbitrator

By **Bryan Koenig**

Law360 (September 9, 2025, 6:04 PM EDT) -- The Ninth Circuit rebuke of Live Nation's chosen consumer complaint arbitrator was raised in a New York federal court with an order calling for discovery into the arbitrator and its relationship to the company's Latham & Watkins LLP attorneys.

U.S. District Judge Arun Subramanian's **order Monday** said discovery is required on the bid from Live Nation Entertainment Inc. and its Ticketmaster subsidiary to force into arbitration a pair of proposed antitrust class actions in which consumers accuse them of illegally monopolizing concert promotion and ticketing services by locking venues into exclusive arrangements.

Judge Subramanian pointed to **last year's** Ninth Circuit ruling in **a similar consumer antitrust case** from named plaintiff Skot Heckman, finding Live Nation's arbitration agreement **unconscionable**. The appellate court dinged the company's 2021 switch of arbitrators from JAMS to New Era ADR, an upstart arbitration provider offering procedures designed to combat the mass arbitration of hundreds or thousands of simultaneous consumer arbitration claims, a strategy that is the plaintiffs bar's latest effort to sidestep corporate attempts to limit class action vulnerability.

According to the Ninth Circuit, the New Era ADR rules are "internally inconsistent, poorly drafted, and riddled with typos," and clearly intended to work solely in favor of Ticketmaster and Live Nation. Among the appellate panel's concerns was the New Era arbitrator's unilateral ability to "batch" similar claims together and to pick "bellwether cases" to which other arbitration claims will be bound. The court also raised concerns about the heavy amount of "collaboration" between New Era and Live Nation's Latham attorneys "in devising a set of procedures to be followed when large numbers of similar consumer claims are brought in arbitration."

Judge Subramanian alluded to those concerns Monday.

"There are open questions about the partiality of the New Era arbitration platform, as described in Heckman v. Live Nation," Judge Subramanian said. Due to the concerns raised in that case, he granted the motion for discovery into New Era's neutrality and its relationship with both Latham and the defendants, and ordered the discovery to conclude in 90 days.

Live Nation, its Latham attorneys and counsel for the plaintiffs did not immediately respond to requests for comment Tuesday.

Judge Subramanian's two-page order left in place for now a Sept. 23 hearing in which Live Nation had been set to argue consumers repeatedly agreed to arbitrate any dispute **throughout the process** of using its ticketing accounts system. The judge left it up to the parties to ask to cancel the hearing or raise any disputes. And in calling for discovery, he denied, for now and without prejudice, Live Nation's bid to compel arbitration, while permitting the company to try again after the 90-day discovery period.

The cases on **both sides of the country** are part of the growing pushback against Live Nation, which is also battling a U.S. Department of Justice case **accusing it of operating an illegal monopoly**, based in part on the 2010 purchase of Ticketmaster. The cases also target other allegedly anticompetitive conduct allowing the companies to charge high prices for concert tickets, including accusations of exclusive promotion deals and long-term ticketing contracts, along with alleged threats of retaliation against rivals and concert venues.

Live Nation is currently seeking U.S. Supreme Court intervention **against the Ninth Circuit**

decision affirming a lower court order refusing to mandate arbitration in the Heckman case. Live Nation and Ticketmaster argue that when Congress passed the Federal Arbitration Act in 1925, it never could have dreamed of mass arbitration, which has exerted "massive settlement pressure and overwhelmed arbitration providers."

NewEra in an **amicus brief** supporting Live Nation at the high court defended its processes as necessary to counter "mass arbitration" tactics by the plaintiffs bar, noting that those processes are in line with the protections, and preference, afforded arbitration by the Federal Arbitration Act.

Plaintiffs Tamara Stevens and Abraham Leifer are represented by Israel David, Adam M. Harris and Mark A. Cianci of Israel David LLC, David W. Mitchell, Alexandra S. Bernay, Arthur L. Shingler III, Stuart A. Davidson and Mark J. Dearman of Robbins Geller Rudman & Dowd LLP and Serina M. Vash and John C. Herman of Herman Jones LLP. Plaintiff James R. Jacobson is represented by Christopher Lovell, Christopher M. McGrath and Adam C. Mayes of Lovell Stewart Halebian Jacobson LLP, Thomas J. Connick of Schneider Smeltz Spieth Bell LLP, Edward W. Cochran, Edward A. Proctor and George W. Cochran.

Live Nation and Ticketmaster are represented by Timothy L. O'Mara and Anna M. Rathbun of Latham & Watkins LLP.

The cases are Leifer v. Live Nation Entertainment Inc. et al., case number 1:24-cv-03994, and Jacobson v. Live Nation Entertainment Inc., case number 1:24-cv-06538, both in the U.S. District Court for the Southern District of New York.

--Additional reporting by Lauren Berg and Matthew Perlman. Editing by Michael Watanabe.



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Block Beats Investor Action Over 2021 Customer Data Breach

By **Lauren Berg**

Law360 (September 9, 2025, 11:32 PM EDT) -- A Manhattan federal judge Tuesday knocked out consolidated litigation alleging Block's stock price plummeted after the financial technology company dilly-dallied disclosing a 2021 data breach stemming from a former employee's alleged theft of customer information, saying the complaint doesn't allege Block made misleading statements or knew it was misleading investors.

U.S. District Judge Margaret M. Garnett, in a 42-page **opinion**, granted the motion to dismiss brought by the financial services and digital payments company, its founder Jack Dorsey — also the co-founder and former CEO of Twitter — and Chief Financial Officer Amrita Ahuja in the consolidated putative class action over the fallout from a former employee's alleged theft of brokerage account information for about 8.2 million Cash App customers.

To start, none of Block's statements from before and after the incident at issue in the lawsuit are materially misleading, the opinion states, noting that the investors did not adequately allege that the company's internal security measures were actually deficient.

"To the extent plaintiffs argue that the mere fact of the data breach itself demonstrates inadequate controls, plaintiffs do not adequately explain why this is so, especially considering they do not know how the incident occurred," Judge Garnett said.

Block, formerly known as Square Inc., disclosed the incident at its subsidiary in an **April 2022 securities filing**. The information downloaded included names, brokerage account numbers — which are associated with a user's stock activity on Cash App Investing — and, for some, brokerage portfolio value, brokerage portfolio holdings and stock trading activity for one trading day.

According to Block's disclosure, the customer reports were downloaded without permission on Dec. 10, 2021, and the former employee had regular access to them as part of their job responsibilities. The employee downloaded them after leaving the company, Block said.

The announcement prompted multiple investors **to file suit** on behalf of those whose private information was compromised in the data breach. The investors alleged Block and its officers made false or misleading statements and failed to disclose "material adverse facts" about the company, including a lack of adequate security protocols.

"The price of the company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses," according to one suit.

The investors accused Block and the executives of creating an "unrealistically positive assessment of Block and its business, operations and prospects."

The suits were then consolidated last year, with Fotios Sotiropoulos appointed lead plaintiff for the Exchange Act claims and Official Intelligence Pty. Ltd. appointed lead plaintiff for the Securities Act claims.

After the operative consolidated complaint was filed in April 2024, the defendants moved for dismissal in June of that year, court records show.

In her opinion Tuesday, Judge Garnett agreed with Block that none of the statements highlighted from its U.S. Securities and Exchange Commission filings were materially false or misleading, noting that its statements about cybersecurity were just general statements of potential risks — which "could not have misled reasonable investors about the quality of Block's controls and measures."

"Moreover, Block included cautionary language about the risks of a data breach, which lends further support to the conclusion that the statements were not misleading within the meaning of the securities laws," the judge said.

Regarding some of Block's post-incident statements, the investors have not alleged that the company was even aware of the incident at that point, the opinion states.

What's more, the investors also have not adequately alleged that Block acted with scienter when it made the allegedly false or misleading representations, or in other words, knew that it was fibbing to the public, Judge Garnett determined.

For one thing, the investors allege that Block had contemporaneous knowledge of the incident but had "strong motives" to keep the breach and its inadequate security measures under wraps because of its ongoing merger with Afterpay, according to the opinion.

"But plaintiffs do not sufficiently allege how any Block corporate officer 'benefitted in some concrete and personal way from the purported fraud,'" Judge Garnett said, adding that "the allegations that Block's corporate officers were motivated to hide the incident ... to facilitate the merger with Afterpay is precisely the type of generalized motive common to most corporate officers that is insufficient to establish scienter."

"Plaintiffs have failed to show any 'unique' connection between the alleged misstatements and the merger, or any specific allegation as to how Block's corporate officers benefitted in some particular and concrete way," she said.

Counsel for the parties did not immediately respond to requests for comment late Tuesday.

The plaintiffs are represented by Jeffrey S. Abraham and Michael J. Klein of Abraham Fruchter & Twersky LLP, Peretz Bronstein, Yitzchak E. Soloveichik and Eitan Kimelman of Bronstein Gewirtz & Grossman LLC, Reed R. Kathrein, Lucas E. Gilmore and Nathaniel A. Tarnor of Hagens Berman Sobol Shapiro LLP, and Brian J. Schall of The Schall Law Firm, among others.

Block and the other defendants are represented by Alex Talarides, James N. Kramer, Jennifer Keighley and Richard Jacobsen of Orrick Herrington & Sutcliffe LLP.

The case is In re: Block Inc. Securities Litigation, case number 1:22-cv-08636, in the U.S. District Court for the Southern District of New York.

--Additional reporting by Hailey Konnath. Editing by Emily Kokoll.



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Azure Power Investors Get Final OK Of \$23M Settlement

By **Sydney Price**

Law360 (September 9, 2025, 5:38 PM EDT) -- A New York federal judge granted final approval to a \$23 million settlement between India-based solar energy company Azure Power and investors accusing it of misrepresenting its compliance with anti-corruption and anti-bribery laws, and the methods through which it won bids for projects.

The order signed on Monday by U.S. District Judge Gregory H. Woods stated that the settlement is, in all respects, "fair, reasonable and adequate."

Lead counsel will receive approximately one-third of the settlement fund, or about \$7.7 million, in fees, and about \$107,000 in expenses, according to the order.

In the suit, which was most recently amended in 2023, the investors claimed some of Azure's bids and projects "were won by, and fraught with, corruption and other infirmities."

According to investors, this conduct later led to a delay in Azure's filings with the U.S. Securities and Exchange Commission, the departure of its executives, the resignation of its auditors, and the delisting of its equity shares from trading on the New York Stock Exchange. Investors further claimed they were damaged after acquiring shares at artificially inflated prices.

The investors are represented by Shannon L. Hopkins, Gregory M. Potrepka, Andrew E. Lencyk, David C. Jaynes, Morgan M. Embleton and Amanda D. Foley of Levi & Korsinsky LLP.

Azure is represented by Douglas W. Henkin and Brian E. Cohen of Dentons US LLP.

The individual defendants are represented by Sameer Advani and Amanda M. Payne of Willkie Farr & Gallagher LLP.

The case is Gilbert v. Azure Power Global Limited et al., case number 1:22-cv-07432, in the U.S. District Court for the Southern District of New York.

--Editing by Vaqas Asghar.

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A Changing Playbook For Fighting Records Requests In Del.

By **Michael Cabin, Brad Feldman and Gregory Herrold** (September 9, 2025, 5:05 PM EDT)

On July 28, the Delaware Supreme Court **issued** an opinion in *Roberta Ann K.W. Wong Leung Revocable Trust U/A v. Amazon.com Inc.*, clarifying the standards applicable to assessing the legitimacy of a books and records demand's stated purpose and its satisfaction of the credible basis requirement.

The decision serves as a stark warning to corporations challenging demands under Section 220 of the Delaware General Corporation Law.

The Delaware Supreme Court made clear in its opinion that a corporation cannot defeat a Section 220 books and records demand solely by attacking the scope of the demand's stated purpose. Even in the face of a relatively unrestricted scope, the sufficiency of the evidence allegedly giving rise to a credible basis to suspect misconduct must be the focal point of any attack.

Further, the court explained that credible basis allegations resting primarily on evidence of government investigations and litigation do not face any heightened burden or require any "plus factor," but instead are subject to the same fact-intensive inquiry as any evidence identified to support a Section 220 demand.

Background

The Books and Records Demand

In October 2023, the Roberta Ann K.W. Wong Leung Revocable Trust U/A, a stockholder of Amazon.com Inc., sent a Section 220 books and records demand to Amazon.

Section 220 allows a stockholder to inspect a corporation's books and records if the stockholder demonstrates, among other things, a proper purpose. Courts have established that a stockholder's investigation of possible corporate mismanagement or wrongdoing can constitute a proper purpose, but the stockholder must present some evidence to suggest a credible basis from which a court can infer that mismanagement or wrongdoing may have occurred.

In the Amazon case, the stockholder's demand stated that its "proper purpose is to investigate potential corporate mismanagement, wrongdoing, and waste by fiduciaries of [Amazon], including the Board of Directors ... and executive officers of Amazon." The demand also alleged that:

Amazon's fiduciaries have authorized or allowed [Amazon to] take unlawful advantage of [its] dominant [marketplace] position to engage in anticompetitive practices, leading to U.S. and international regulatory scrutiny, lawsuits, and fines[, and that] Amazon utilized a set of interlocking anticompetitive and unfair strategies to illegally maintain its monopoly power that benefits the products it makes and sells internally versus third-party sellers that utilized [Amazon]'s marketplace.



Michael Cabin



Brad Feldman



Gregory Herrold

The demand included a chronology of "Amazon's history of monopolistic behavior" and referenced several events, including:

- Multiple investigations from 2019 to 2022 by the European Commission into Amazon's possible anticompetitive behavior, one of which resulted in Amazon making formal commitments to address the European Commission's concerns and avoid a \$47 billion fine;
- An April 2020 Wall Street Journal article concerning Amazon's use of independent seller data that purportedly violated Amazon's internal policies;
- A report from the U.S. House Judiciary Committee's Subcommittee on Antitrust, Commercial and Administrative Law, which made policy recommendations following testimony from Amazon's former CEO;
- Remedial measures and a €1.13 billion (\$1.32 billion) fine imposed by the Italian Competition Authority following a 2021 finding that certain Amazon subsidiaries engaged in practices that infringed European Union competition rules;
- A 2022 consent decree in which Amazon **agreed** to stop its "Sold by Amazon" program and to give annual updates on its compliance with antitrust laws, following a lawsuit by Washington state regarding Amazon's treatment of third-party sellers; and
- A 2022 lawsuit — California v. Amazon in the Superior Court of the State of California, County of San Francisco — **alleging** that Amazon violated California antitrust and unfair competition laws relating to third-party sellers and wholesale suppliers.

In addition to these lawsuits and investigations, the demand relied on a September 2023 lawsuit — FTC v. Amazon in the U.S. District Court for the Western District of Washington — that the Federal Trade Commission and 17 states **filed** following a four-year FTC investigation.

The FTC action alleged that Amazon violated state and federal antitrust laws and had a "durable monopoly power" in the "online superstore market." Although the FTC lawsuit was not yet resolved, most claims survived Amazon's motion to dismiss.

The stockholder demanded to inspect books and records related to, among other things, Amazon's:

[C]ompliance with antitrust or competition laws, including state and federal antitrust laws in the U.S. and in the EU, including investigations into Amazon's compliance with such laws and lawsuits filed against [Amazon] regarding antitrust laws or anticompetitive conduct, including, but not limited to, the FTC [c]omplaint, California's lawsuit, and Washington's lawsuit.

In response, Amazon challenged the legitimacy of the purpose alleged, arguing that it was overbroad in scope. Amazon nevertheless "agreed to produce a 'targeted set of materials' on the condition that the [stockholder] enter into a confidentiality agreement." The stockholder declined and **brought** the Section 220 action in December 2023.

The Magistrate's Final Report and the Court of Chancery's Opinion

In April 2024, following a one-day trial before the Delaware Court of Chancery, Magistrate Bonnie W. David **issued** a final report recommending that the court deny the stockholder's inspection demand on the ground that it "failed to present sufficient evidence to suggest a credible basis from which the [c]ourt can infer possible wrongdoing."

In her report, the magistrate relied in part on a prior Section 220 action against Amazon in which the Court of Chancery denied a stockholder's books and records demand and held that "the evidence of potential malfeasance regarding alleged anticompetitive conduct lacks the sort of 'plus factor' found in" similar Section 220 actions "where ongoing government investigations and lawsuits contributed to the satisfaction of the credible basis standard."

The magistrate also stated that the current FTC complaint "pleads allegations, not evidence." She further concluded that the circumstances and outcomes of the other lawsuits and investigations fell short of establishing a "credible basis to investigate wrongdoing" because they identified "a handful ... of lawsuits, many of which merely repeat the allegations in the FTC [c]omplaint and [establish] only that Amazon has paid 'relatively minor amounts.'"

On appeal, Vice Chancellor Lori W. Will, in October 2024, adopted the magistrate's report and denied the stockholder's inspection demand. The vice chancellor concluded, however, that "it was unnecessary to decide whether the [stockholder] satisfied its credible basis burden because [t]here is a more fundamental problem with the ... demand: the scope of its stated purpose is facially improper."

According to the vice chancellor, the books and records demand's stated purpose was "astoundingly broad," as it concerned "any possible anticompetitive conduct by a global conglomerate at any time anywhere in the world." The vice chancellor then concluded that the determination of whether the stockholder presented "sufficient evidence to satisfy the credible basis standard is meaningless when it failed to articulate a lucid purpose in the first place."

The stockholder appealed both the vice chancellor's ruling as to the scope of the demand's stated purpose and the magistrate's ruling as to the evidentiary burden required to establish a credible basis.

The Delaware Supreme Court's Reversal

On July 28, the Delaware Supreme Court reversed, rejecting both the Court of Chancery's and the magistrate's analyses. The court held that the vice chancellor erred by "beginning and ending" her analysis solely on the scope of the demand's stated purpose. As the court explained, "Denying an inspection demand based on a facial evaluation of the 'scope' of the purpose, without considering whether the evidence established a credible basis for that purpose, is not the framework under which [the Court of Chancery] evaluate[s] Section 220 demands."

The court acknowledged that a stockholder's "'mere statement of a purpose to investigate possible general mismanagement, without more,' is insufficient to establish entitlement to inspection."

But the court explained that the required "more" is not a narrower or clearer purpose, but rather satisfaction of the credible basis standard, i.e., some evidence to establish a credible basis of mismanagement or wrongdoing warranting further investigation. The vice chancellor, therefore, could not reject the demand solely based on the scope of its purpose; rather, the vice chancellor "was required to continue [her] analysis by engaging with the evidence presented" by the stockholder.[1]

The Delaware Supreme Court then separately rejected the magistrate's finding that the stockholder did not present sufficient evidence of a credible basis.

The court began by noting that demonstrating a credible basis does not require a stockholder to show actual waste or mismanagement, and that the credible basis standard requires the "lowest possible burden of proof under Delaware law," stating, stockholders "need only show, by a preponderance of the evidence, a credible basis from which the Court of Chancery can infer there is possible mismanagement that would warrant further investigation — a showing that 'may ultimately fall well short of demonstrating that anything wrong occurred.'"

The Delaware Supreme Court also rejected the magistrate's conclusion — based on a reading of the Court of Chancery's June 2022 **decision** in *Oklahoma Firefighters Pension and Retirement System v. Amazon* — that a demand must satisfy the higher burden of containing additional evidence or a plus factor in cases primarily concerning government investigations and litigation.

According to the Delaware Supreme Court, the credible basis standard is not elevated even in such cases, and although satisfying this standard often requires more than a mere untested allegation of wrongdoing, it does not require that the underlying litigation result in a full victory on the merits against the company.

As the court explained: "[W]here a stockholder presents evidence of ongoing investigations and lawsuits, and those investigations and lawsuits have advanced beyond untested allegations, then the evidence can be sufficient to meet the credible basis standard, especially when liability or fines could result in a corporate trauma."

The court then concluded that the evidence presented by the stockholder — i.e., the FTC complaint, most of which survived Amazon's motion to dismiss; the lawsuit by California, which continues following a court's denial of Amazon's demurrer; the lawsuit by Washington state, which culminated in a consent decree and Amazon providing annual updates on compliance with antitrust laws; and the action by the Italian Competition Authority, which resulted in a €1.13 billion fine paid by Amazon — "[when] taken together ... [was] sufficient to establish a credible basis from which a court can infer that Amazon has engaged in possible wrongdoing through its purported anticompetitive activities."

The Delaware Supreme Court therefore reversed the Court of Chancery's judgment and remanded the case for further proceedings to determine the scope and conditions of production consistent with its decision.

Takeaways

The Amazon case makes clear that a corporation cannot defeat a Section 220 books and records demand solely by attacking the scope of the demand's stated purpose without also analyzing whether the demand presents some evidence of a credible basis of mismanagement or wrongdoing warranting further investigation. Although corporations still should highlight the overbreadth or vagueness of a demand's stated purpose, this should be coupled with a challenge to the sufficiency of the demand's evidence regarding its credible basis.

As the case demonstrates, such analyses will be highly fact-dependent. Arguing that a government investigation or lawsuit remains pending or did not result in an adjudication adverse to the corporation will not, by itself, defeat the establishment of a credible basis, particularly given the Delaware Supreme Court's rejection of a plus-factor requirement in cases resting primarily on government investigations and litigation.

On the other hand, if such ongoing investigations or lawsuits have not "advanced beyond untested allegations," then corporations would be well served to emphasize the nascency of these proceedings in their credible basis challenges.

Additionally, although not directly relevant to the Amazon decision, the Delaware General Assembly's **March amendments** to Section 220 must be taken into account in any challenge to a books and records demand.

The amendments codify and clarify certain critical elements of the jurisprudence Delaware courts have developed in defining the limits of Section 220. Among other things, they set forth the specific categories of books and records available under Section 220 and the standards applicable to an inspection demand.

Under the amendments, a stockholder may inspect the corporation's books and records only if (1) the stockholder's demand is made in good faith and for a proper purpose; (2) the demand describes with reasonable particularity the stockholder's purpose and the books and records the stockholder seeks to inspect; and (3) the books and records sought are specifically related to the stockholder's purpose.

In addition, the amendments delineate the specific categories of books and records available absent a heightened showing:

- The certificate of incorporation and any agreements incorporated by reference;
- Bylaws and any agreements incorporated by reference;
- Minutes of stockholder meetings and stockholder consent for three years preceding the date of the demand;

- All communications written to stockholders within the three years preceding the date of the demand;
- Minutes of any board or board committee meetings and records related thereto;
- Annual financial statements for the three years preceding the date of the demand;
- Certain contracts with stockholders; and
- Director and officer independence questionnaires.

To obtain books and records beyond these specific categories, the stockholder must show a compelling need in furtherance of the stockholder's articulated purpose, and demonstrate by clear and convincing evidence that the requested records are necessary and essential to further such purpose.

Finally, the amendments expressly provide that a corporation responding to a Section 220 demand may impose confidentiality requirements on the books and records produced, condition production on the corporation's right to use any of the material produced in responding to a complaint subsequently filed on the basis of the Section 220 production, and redact any portion of the material produced that is not specifically related to the stockholder's purpose.

The amendments do not apply to books and records demands made prior to Feb. 17, and, therefore, they were not considered by the court in the Amazon case. Going forward, however, corporations should be cognizant of the Amazon decision and the amendments, and should tailor their defenses to books and records demands accordingly.

Michael Cabin is a partner, Brad D. Feldman is special counsel and Gregory D. Herrold is a senior associate at Duane Morris LLP.

Duane Morris partner Richard Renck also contributed to this article.

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[1] The Delaware Supreme Court also found that the vice chancellor misinterpreted the scope of the demand's stated purpose because, prior to trial, the stockholder had limited that scope by geographic region, content and timeframe. The court noted that a stockholder is permitted to limit the scope of a Section 220 demand during a litigation so long as the limitation does not prejudice the defendant.

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Feds Say Lejeune Litigants Can't Link Chemical To Illnesses

By **Tom Lotshaw**

Law360 (September 9, 2025, 5:00 PM EDT) -- The U.S. government asked a North Carolina federal judge to bar veterans and family members suing over injuries from toxic water at Camp Lejeune from claiming that one particular substance caused various diseases at issue in the litigation.

In a court filing Tuesday, the government said that plaintiffs have not provided any expert testimony required to show that dichloroethylene is even able to cause kidney and bladder cancer, leukemia, non-Hodgkin lymphoma and Parkinson's disease.

"Because there is a lack of evidence supporting general causation between DCE and the Track 1 diseases, all claims based on DCE necessarily fail as a matter of law," the government said in a partial summary judgment motion.

The plaintiffs in the consolidated litigation allege that water on the North Carolina military base was heavily contaminated with substances including trichloroethylene, tetrachloroethylene, vinyl chloride, benzene and DCE, and caused people to suffer a number of health injuries.

According to the government, the Camp Lejeune Justice Act required plaintiffs to provide expert testimony demonstrating proof of general causation in regard to contaminants and diseases. The legislation, passed in 2022, lifted barriers for people who lived on the military base between 1953 and 1987 to sue the government for damages.

While the plaintiffs in the litigation have put forward more than a dozen general causation experts and nearly two dozen general causation reports, the government said, those experts and reports make only passing references to DCE and do not assert that it is able to cause the diseases in question.

One expert who discussed DCE in at least some detail as part of a general causation report on kidney cancer, bladder cancer and Parkinson's disease, seemingly mixed it up with another similarly named substance, the government told the court.

"The sole positive claim made concerning DCE's carcinogenicity – i.e., that the [National Toxicity Program] in 2021 classified it as 'reasonably anticipated to be a human carcinogen' – rests on a conflation of DCE with a completely different chemical, dichloroethane," the government said.

"Simply put, plaintiffs failed across the board to offer any general causation opinions (admissible or not) that DCE can cause any of the Track 1 diseases," the government added.

The plaintiffs and the government **have clashed** over discovery for the litigation, as each side has sought to exclude or limit the other's experts.

In July, U.S. District Judge Robert B. Jones partially granted the federal government's bid to exclude portions of the plaintiffs' phase three expert reports, holding that the experts could not present new theories on general causation that were the focus of phase two reports.

Representatives for the plaintiffs and the federal government did not immediately respond to requests for comment Tuesday.

In a joint status report filed on Monday, the parties noted that about 3,600 Camp Lejeune Justice Act complaints were filed in the Eastern District of North Carolina between Feb. 11, 2023, and Sept. 8, 2025, with some 409,000 de-duplicated administrative claims filed with the U.S. Department of Navy.

The veterans and families are represented by J. Edward Bell of Bell Legal Group LLC, Zina Bash of Keller Postman LLC, Robin L. Greenwald of Weitz & Luxenberg PC, Elizabeth Cabraser of Lieff Cabraser Heimann & Bernstein LLP, W. Michael Dowling of The Dowling Firm PLLC, James A. Roberts of Lewis & Roberts PLLC and Mona Lisa Wallace of Wallace & Graham PA.

The government is represented by Brett A. Shumate, Jonathan Guynn, Bridget Bailey Lipscomb, Adam Bain, David R. Ortiz and Giovanni Antonucci of the U.S. Department of Justice's Civil Division.

The case is In re: Camp Lejeune Water Litigation, case number 7:23-cv-00897, in the U.S. District Court for the Eastern District of North Carolina.

--Additional reporting by Mike Curley and Abigail Harrison. Editing by Patrick Reagan.

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Google Says Ad Tech MDL Market Should Stay Within US

By **Bryan Koenig**

Law360 (September 9, 2025, 7:17 PM EDT) -- Google has urged a New York federal judge not to expand the scope of its advertising placement technology business as targeted by publishers and advertisers in multidistrict litigation, arguing the plaintiffs had their chance and cannot now latch onto the worldwide scope found in the Justice Department's successful case.

In a series of opposition briefs contesting separate motions by different MDL plaintiffs and classes, Google argued Monday the scope here should remain national.

The MDL plaintiffs, including **proposed classes** of website publishers and advertisers, as well as media companies the Daily Mail and Gannett Co. Inc. and defunct video ads company Inform, want worldwide coverage in order to narrow the differences between the MDL and the U.S. Department of Justice's Virginia federal court case.

If allowed to amend their complaints for an expanded geographic scope, it could boost the plaintiffs' efforts to lock in the Virginia judge's findings that Google **illegally monopolized** two of three targeted ad tech markets.

Google assailed each of their respective motions to amend in separate but often highly similar opposition briefs Monday. Among other things, it argued the plaintiffs "intentionally and consistently pursued claims" based on a more narrow scope than the one alleged by the DOJ and its state attorneys general partners.

"Despite plaintiffs in Virginia advancing claims in January 2023 based on worldwide geographic markets, publishers stuck with their own U.S.-centric claims throughout the entirety of this litigation, waiting to see how the Virginia trial turned out before they decided to try to take advantage of rulings against Google," the company said in **opposing the publishers' motion**. "Even after the Virginia court's decision in April and collateral estoppel briefing over the summer, publishers still did not move to amend their alleged geographic market until this court invited them to do so."

Now, Google argued, the plaintiffs "offer no explanation whatsoever for their years-long delay." The delay is "manifestly" prejudicial, according to Google, because an earlier effort could have let it use 10 months of discovery to prepare defenses based on a worldwide geographic market.

"Further, allowing amendment would be futile because advertisers' proposed additions fail to allege sufficient facts to state a plausible claim based on a worldwide geographic market," it said in **another brief**. "And even if advertisers' proposed amendment were allowed, it would not eliminate any of the issues this court must consider in connection with collateral estoppel because amendment would not resolve any issue pertaining to advertisers' United States sub-market."

Underlying the motions at issue to amend are separate motions for **partial summary judgment** looking to adopt the full sweep of U.S. District Judge Leonie M. Brinkema's April findings that the search giant illegally monopolized two out of three targeted markets for the split-second auctions pairing website publishers with available ad space and advertisers looking to place online display ads.

The MDL plaintiffs have argued the conduct and markets at issue in the cases are "identical," but **Google disagrees**.

Judge Brinkema said Google entrenched its monopoly power by imposing anticompetitive policies on its customers, including conditioning full functionality for its AdX exchange on using its publisher server and by eliminating product features to block rivals from competing with it. She rejected the DOJ's claims targeting Google's advertiser-side server.

The MDL is moving forward even as the DOJ and Google gear up for a remedies phase trial set to kick off Sept. 22, in which the government **will seek a breakup** of the search giant's ad tech business.

Alongside those cases is a **now-paused suit** from a coalition of state attorneys general led by Texas and new lawsuits now being filed by individual private plaintiffs like Business Insider. And Google's ad tech business, one of several parts of the company targeted by enforcers all over the world, continues to draw international pressure, with it most recently being fined **\$3.5 billion** by European Union antitrust enforcers.

In the MDL, the plaintiffs argued in separate briefs late last month that an amendment to expand the geographic scope would be a relatively easy affair that wouldn't prejudice Google — which argued for a U.S.-centric market in Virginia, only for Judge Brinkema to find a global scope — while streamlining the proceedings and mooting some of the company's arguments against collateral estoppel.

"Publishers' instant motion proposes amendments to remove any remaining argument by Google that a difference between the geographic scope of the relevant markets pled here as compared to the findings in [the Eastern District of Virginia] opinion should prevent issue preclusion on relevant market and related issues," the publishers said.

Google argued Monday, however, that the plaintiffs "fail to cite a single precedent where any court has permitted amendment over a defendant's objection in similar circumstances."

"Allowing publishers to amend at this late stage would not only prejudice Google, but reward publishers for wasting the parties' and the court's time with years of litigation over theories that they now cast aside," it said.

"Knowing that their claims diverged from those being litigated in Virginia, publishers could have sought to amend their claims years ago — or they could have sought to stay this case and waited to see how the Virginia case played out," Google continued. "Instead, they gambled that either the Virginia court would embrace their precise theories or this court would relax the requirements for collateral estoppel."

Representatives for Google and the plaintiffs did not respond Tuesday to requests for comment.

The proposed advertiser class is represented by Dena C. Sharp, Scott Grzenczyk, Mikaela M. Bock and Isabel Velez of Girard Sharp LLP, and Tina Wolfson, Theodore W. Maya and Bradley K. King of Ahdoot & Wolfson PC.

The publisher class is represented by David Boies, Philip C. Korologos, Robert J. Dwyer, James Keyte, Luke Williams, Mark C. Mao, Sean P. Rodriguez, Sabria A. McElroy and Izaak Earnhardt of Boies Schiller Flexner LLP, George A. Zelcs, Randall P. Ewing Jr., Marc A. Wallenstein, Ryan Z. Cortazar, Stephen M. Tillery, Michael E. Klenov, Carol L. O'Keefe, Andrew M. Ellis and Ian Moody of Korein Tillery LLC, and Eric L. Cramer, Michael C. Dell'Angelo, Caitlin G. Coslett, Patrick F. Madden, Jeremy Gradwohl and Robert E. Litan of Berger Montague.

Gannett and the Daily Mail are represented by John Thorne, Daniel G. Bird, Bethan R. Jones, Christopher C. Goodnow, Mark P. Hirschboeck, Eliana Margo Pfeffer, Eric J. Maier, Sven E. Henningson, Jonathan I. Liebman and Kyle B. Grigel of Kellogg Hansen Todd Figel & Frederick PLLC.

Inform is represented by Serina M. Vash and John C. Herman of Herman Jones LLP.

Google is represented by Justina K. Sessions, Eric Mahr, Andrew J. Ewalt and Robert J. McCallum of Freshfields LLP, and Daniel S. Bitton, Denise L. Plunkett, Craig M. Reiser, Eva H. Yung, Claire L. Haws, Bradley Justus and Caroline P. Boisvert of Axinn Veltrop & Harkrider LLP.

The case is In re: Google Digital Advertising Antitrust Litigation, case number 1:21-md-03010, in the

U.S. District Court for the Southern District of New York.

--Additional reporting by Matthew Perlman, Sydney Price, Jared Foretek and Lauren Berg. Editing by Lakshna Mehta.

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