

Announcing the Finalists for the 2026 California Legal Awards

The awards celebrate the achievements of lawyers and companies based in the Golden State leading technology, innovation and the profession as a whole.

April 27, 2026 at 11:18 AM By  **Pearl Wu Michelle Morgante**



California Legal Awards trophy. Courtesy photo

The Recorder and Law.com's editorial staff is proud to announce this year's finalists for the California Legal Awards. The awards celebrate the achievements of lawyers and companies leading technology, innovation and the profession as a whole. We had a record-breaking number

of submissions this year — more than 600 nominations — making it extremely difficult to narrow down the list of finalists for 2026.

Our awards dinner will take place in Southern California for the third year in a row. Winners in each category will be announced at the [California Legal Awards ceremony](#) recognizing for all honorees and finalists on June 24 at the [Sheraton Grand in Los Angeles](#).

To book tickets or sponsorships, please contact our sales director Andre Sutton at andre.sutton@alm.com.

Lifetime Achievement Award Winners

Judge Abraham D. Sofaer, FedArb
Elizabeth Cabraser, Lief Cabraser Heimann & Bernstein
John Hall, Covington & Burling
Michele Mulrooney, Willkie Farr & Gallagher
Tina Thomas, Stoel Rives

Attorney of the Year Finalists

Ed Dudensing, Dudensing Law
Sarah London, Girard Sharp
Brett Schreiber, Singleton Schreiber

Law Firm of the Year Finalists

King & Spalding
Lief Cabraser Heimann & Bernstein
Shegerian and Associates
Singleton Schreiber
Wilmer Cutler Pickering Hale and Dorr
Wilson Sonsini Goodrich & Rosati

Best Mentor Finalists

Karen Boyd, Thompson Hine
Carolyn G. Burnette, Jackson Lewis
Patrick Burns, Hanson Bridgett
Adam Carlson, Casper, Meadows, Schwartz & Cook
Jeffrey D. Diener, Baker & Hostetler
John Feder, Rouda Feder Tietjen & McGuinn
Bonnie Lau, Wilson Sonsini Goodrich & Rosati
Jennifer Oliver, Buchanan
Agustin Orozco, Crowell & Moring

Jessica Valenzuela, Gibson, Dunn & Crutcher

Dennis Wilson, Kilpatrick

Daniel Zimmermann, Wilmer Cutler Pickering Hale and Dorr

Community Advocacy and Impact Initiative Finalists

BraunHagey & Borden

Covington & Burling

Fenwick

Greenberg Traurig

Hecker Fink

Jenner & Block

Neel Chatterjee, King & Spalding

McNicholas & McNicholas

Morrison & Foerster

Public Counsel

Reed Smith

Elizabeth Mitchell & Matthew Umhofer, Umhofer, Mitchell & King

Dealmakers of the Year Finalists

Daren Orzechowski, A&O Shearman

Derek Liu, Baker McKenzie

Emily Leonard, Covington & Burling

Michael Brown, Fenwick

Hamed Meshki, Kirkland & Ellis

Charles Ruck, Latham & Watkins

Troy Zander, Manatt, Phelps & Phillips

Kenneth Siegel, Eric T. McCrath, and Christopher C. McKinnon, Morrison & Foerster

Sonia Nijjar, Skadden, Arps, Slate, Meagher & Flom

Mike Ringler and Pete Jones, Sullivan & Cromwell

Rezwan Pavri, Wilson Sonsini Goodrich & Rosati

Distinguished Leader Honorees

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April Miller Boise, Intel Corp.

Doug Clark, Wilson Sonsini Goodrich & Rosati

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Patrick A. Klingborg, Solomon Ward Seidenwurm Smith

John Quinn, Quinn Emanuel Urquhart & Sullivan

Mahru Madjidi, Shegerian and Associates

Josh Maxwell, Hone Maxwell

Eric T. McCrath, Morrison & Foerster

Harry J. Nelson, Leech Tishman Nelson Hardiman

Peggy Otum, Wilmer Cutler Pickering Hale and Dorr

Dylan Ruga, Steno

Entertainment Lawyer of the Year Finalists

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David Hern, Simpson Thacher & Bartlett

Moez Kaba, Hueston Hennigan

Molly M. Lens, O'Melveny & Myers

Rick Offsay, Latham & Watkins

Jonathan Pink, Lewis Brisbois Bisgaard & Smith

Rollin Ransom, Sidley Austin

Neema Sahni, Covington & Burling

Robert Sherman, DLA Piper

David Singer, Jenner & Block

Innovation in Tech/AI Finalists

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Ann Staggs, Grafana Labs

Irell & Manella

Alex Tieu, JLG Lawyers

Latham & Watkins

Megan Baca, Ropes & Gray

Steno

Bobby Malhotra, Winston & Strawn

WR Immigration

Monica Zent, ZentLaw

Intellectual Property Lawyer of the Year Finalists

Adam Alper and Michael De Vries, Kirkland & Ellis

Margret Caruso, Quinn Emanuel Urquhart & Sullivan

Adam Cashman, BraunHagey & Borden

Yar Chaikovsky, White & Case

Ted Chandler, Baker Botts

Brian Horne, Knobbe Martens

Joseph C. Gratz, Morrison & Foerster

Brian McKnight, Polsinelli

Rohit Nath, Susman Godfrey

Joseph Saveri, Saveri Law Firm

David Singer, Jenner & Block

John Picone, Spencer Fane

Lawyers on the Fast Track Honorees

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Parag L. Amin, Law Office of Parag L. Amin

Ashley Fillmore, Uber Technologies

Linda Sobczynski Gilleran, Farella Braun + Martel

Francesca Grea, Fox Rothschild

Ginger L. Grimes, Dardarian Ho Kan & Lee

Sri Kuehnlenz, Cohen & Gresser

Elaine Lee, Peckar & Abramson

Christopher Olson, McDermott Will & Schulte

Lawyers on the Fast Track (Corporate) Honoree

Bardia Moayedi, Snell & Wilmer

Lawyers on the Fast Track(General Litigation) Honorees

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Brianna Howard, Ballard Spahr

Christina Lee, Keker, Van Nest & Peters

Sophie Mancall-Bitel, Mayer Brown

Krysta Pachman, Susman Godfrey

Lawyers on the Fast Track(Labor and Employment) Honorees

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Laura Devane, Littler Mendelson

Monique Eginli, Clark Hill

Sam Katz, Athlaw

Koree B. Wooley, Jones Day

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Tiseme Zegeye, Lieff Cabraser Heimann & Bernstein

Lawyers on the Fast Track (Real Estate) Honorees

Nicholas Cameron, Cox, Castle & Nicholson

Marie Gribble, Lathrop GPM

Ulrick Matsunaga, Crosbie Gliner Schiffman Southard & Swanson

Lawyers on the Fast Track (Trust and Estates)Honorees

Meghan M. Glaspy, RMO

Benjamin R. Schwefel, Murtaugh

Most Promising Newcomer Finalists

Cordell Brown, Munger, Tolles & Olson

John Riley, Foley & Lardner

Timothy Wieroniey, Rogers Joseph O'Donnell

Aaron Cera, Saveri Law Firm

Cohl Kenneth Love, Kirkland & Ellis

Andrew Santana, Jenner & Block

Justin Shegerian, Shegerian and Associates

Gennifer E. Birkenfeld-Malpass, Wilmer Cutler Pickering Hale and Dorr

Madeline Ong, Kahana Feld

Isabella Granucci, Holland & Knight

Katelyn Taira, Winston & Strawn

Office Managing Partner of the Year Finalists

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Arwen Johnson, King & Spalding

Erik S. Moore, Schulman & Moore

Jason Murtagh, Buchanan

Jeffrey Rosenfeld, Alston & Bird

Gerald Singleton, Singleton Schreiber

Sarah Solum, Freshfields

Chris Tayback, Quinn Emanuel Urquhart & Sullivan

Gretchen Hoff Varner, Covington & Burling

Alex Weingarten, Willkie Farr & Gallagher

Kahlil T. Yearwood, Gibson, Dunn & Crutcher

Talent Management Innovation Finalists

Hanson Bridgett

Spencer Fane

Tyson & Mendes

Wilmer Cutler Pickering Hale and Dorr

Tech Industry Litigation Department of the Year Finalists

Cooley
Davis Polk & Wardwell
Gibson Dunn
Wilson Sonsini Goodrich & Rosati
Hueston Hennigan
Knobbe Martens
Latham & Watkins
Morrison & Foerster
Orrick
Quinn Emanuel Urquhart & Sullivan
Sheppard
Wilmer Cutler Pickering Hale and Dorr

Vanguard Award Finalists

Covington & Burling
Latham & Watkins
Shegerian and Associates
Willkie Farr & Gallagher
Wood Smith Henning & Berman
Umhofer, Mitchell & King

Women Leaders in Tech Law Honorees

Gretchen A. Ramos, Greenberg Traurig
Lindsay Llewellyn, Lyft

Women Leaders in Tech Law(Corporate/Transactions)Honorees

Sarah Axtell, Latham & Watkins
Sonia Nijjar, Skadden, Arps, Slate, Meagher & Flom
Ingrid Rechten, Covington & Burling
Kaylee Yang, Norton Rose Fulbright

Women Leaders in Tech Law (Intellectual Property) Honorees

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Tiffany Lee, Willkie Farr & Gallagher
Christine M. Morgan, Reed Smith
Lisa Nguyen, Paul Hastings

Jennifer Seraphine, Thompson Hine

H. Annita Zhong, Irell & Manella

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Jennifer Bretan, Fenwick

Lexi Hazam, Lieff Cabraser Heimann & Bernstein

Sonal N. Mehta, Wilmer Cutler Pickering Hale and Dorr

Elizabeth K. McCloskey, Gibson, Dunn & Crutcher

Rachael Meny, Keker, Van Nest & Peters

Justina Sessions, Freshfields

Erica Van Loon, Armond Wilson

Laura Vartain, Kirkland & Ellis

Christina Von der Ahe Rayburn, Hueston Hennigan

Women Leaders in Tech Law (Regulatory) Honoree

Shiva Aminian, Akin Gump Strauss Hauer & Feld

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AI-Related IP Litigation Triggers Follow-On D&O Lawsuit

K [dandodiary.com/2026/04/articles/artificial-intelligence/ai-related-ip-litigation-triggers-follow-on-do-lawsuit](https://www.dandodiary.com/2026/04/articles/artificial-intelligence/ai-related-ip-litigation-triggers-follow-on-do-lawsuit)

Kevin LaCroix

April 26, 2026



In recent months, securities class action litigation patterns involving AI-related disclosures have emerged and developed, as has been documented on this site (most recently, for example, [here](#)). There has of course been a great deal of other kinds of AI-related litigation, including lawsuits involving intellectual property issues, privacy and data-collection concerns, discrimination and bias claims, and a variety of different kinds of tort allegations.

In a shareholder derivative lawsuit recently filed against the board of software firm Adobe, these two lines of AI-related litigation crossed; the plaintiff shareholder alleges that the defendants violated their board duties by knowingly permitting the company to train its artificial intelligence tools using material copyrighted by others and in a way that subjected the company to IP-related litigation. As discussed below, the new lawsuit illustrates how the broader range of AI-related litigation can translate into follow-on D&O claims, representing yet another area of AI-related D&O risk.

Background

Adobe is a software firm that provides a variety of services including AI services. Among the firm's AI services is its SlimLM series of small language model (SLM) software optimized for document assistance tasks on mobile devices. The firm's SLM tools are trained, according to the subsequently filed securities lawsuit complaint, by "ingesting datasets that are chosen by Adobe personnel." These training tasks involved the "collection and use of millions of lines of text."

According to the complaint, among the datasets Adobe used to train its SLM tools are the [Books3 dataset](#), which, according to the complaint, “contains hundreds of thousands of copyrighted books that were pirated without authorization or consent of the authors”; and the [“Common Crawl” dataset](#), which, the complaint alleges “is also known to contain copyrighted and unauthorized materials.”

The complaint alleges that Adobe’s directors and officers “knew of the copyright violations being perpetrated through” Adobe’s SLM platform. Rather than “use a clean dataset,” Adobe’s executives, the complaint alleges, “followed a ‘ask forgiveness not approval’ model and adopted and implemented an unlawful plan to use a pirated data set” to develop the firm’s AI services. This misconduct, the complaint alleges, “constitutes bad faith and a violation of positive law” in “directing, approving, or permitting” the misconduct.

The complaint goes on to allege that this alleged misconduct has “resulted in multiple copyright holders filing lawsuits” against Adobe based on the firm’s alleged “failure to compensate [copyright holders] for downloading, copying, storing, or using their copyrighted works,” for which Adobe now faces “potential massive liability.” The company’s executives, the complaint alleges, were well aware of the issues with using the copyright holders’ copyrighted works, as well as of the potential liability for the company’s unauthorized use of copyrighted materials. The company has now been hit with multiple IP-related lawsuits filed on behalf of persons who allege that Adobe violated their copyrights.

The complaint alleges that after the first of several IP related lawsuits were filed against Adobe, its share price declined more than 25%. The complaint also alleges that as a result of “all of this misconduct and violations,” Adobe’s CEO and Chairman, Shantanu Narayen, stepped down from his position on March 12, 2026. Narayen’s departure was “specifically linked to Adobe’s failed AI strategy.”

The D&O Lawsuit

On April 24, 2026, a plaintiff shareholder filed a shareholder derivative lawsuit in the Northern District of California against Narayen and 13 other current and former officers and directors of Adobe, as well as against Adobe itself as nominal defendant. A copy of the complaint can be found [here](#).

The complaint includes four substantive counts: first, a count alleging that all defendants violated their fiduciary duties; second, a count against all defendants alleging waste; third, a count against the director defendants alleging their violation of Section 14(a) of the Securities Exchange Act of 1934, in connection

with the company's proxy statements; and fourth, a count against defendants Narayen and Adobe CFO Daniel Durn for alleged violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder in connection with alleged misrepresentations in the company's disclosures and public statements.

The complaint seeks to recover damages Adobe allegedly sustained as a result of the alleged violations, and also seeks corporate governance reforms.

Discussion

The new Adobe derivative complaint has only just been filed and it remains to be seen how it will fare as it progresses. Readers of this site know well that derivative lawsuits are subject to formidable defenses, including, among other things, the demand requirement and the business judgment rule. The defendants undoubtedly will file motions to have the complaint dismissed based on these standard derivative suit defenses.

Regardless of how this complaint ultimately fares, the complaint itself is interesting for those whose jobs it is to worry about the potential liabilities of corporate directors and officers. That is, the complaint represents an example of how other kinds of AI-related liability exposures and litigation risks can translate into D&O claims.

It is not news that AI tool developers have been sued based on allegations that the companies have violated the copyrights of content owners by using the content to train their AI models. But while this kind of litigation is not new, what is new is for this type of litigation to lead to D&O related claims through follow-on litigation.

This development is important for what it represents in terms of potential AI-related D&O exposure. There is a great deal of discussion (and even arguably even agitation) in the insurance world in general, and in the D&O insurance world in particular, as industry professionals try to assess and understand what kind of liability exposures will arise out of companies' widespread adoption of AI strategies, AI processes, and AI tools. This new lawsuit, filed as a follow-on to intellectual property litigation involving AI-related allegations, represents a concrete example of a kind of D&O related liability exposure can arise from a company's AI-based strategy.

It is important in thinking about the potential significance of this development to understand that the many other kinds of AI-related litigation – not only IP-related litigation, but privacy; discrimination and bias; and other types of tort litigation – could similarly lead to follow-on D&O litigation involving the same kinds of duty breach allegations raised in this complaint. To be sure, this phenomenon may be yet another example of the ways in which everything sooner or later becomes a D&O claim. While this observation about everything becoming a D&O claim may these days be a commonplace, that does not make it any less real.

The bottom line is that as allegedly aggrieved parties continue to conjure up ways in which they alleged that they have been harmed by artificial intelligence, these allegedly aggrieved parties' claims may at least potentially trigger parallel follow-on D&O lawsuits, in which the underlying allegations are relied up on to support D&O liability claims.

As D&O professionals these days increasingly are called upon to assess how the widespread adoption of AI can contribute to D&O risk, it will be important to consider the risks associated with this type of AI-related follow-on litigation.

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Securities

This Week in Chancery Court: Trump Media SPAC Legal Fees Dispute

April 27, 2026, 2:00 AM PDT

Exceptions to a decision in a fee dispute involving a merger between President Donald Trump's social media platform and a blank-check company will get an airing this week before the Delaware Chancery Court.

There are also a couple settlement hearings worth nothing on the court's calendar:

Monday: Orlando v. Digital World Acquisition Corp., Del. Ch., No. 2024-0264, oral arguments 4/27/26.

At issue: The SPAC, Digital World Acquisition Corp., will argue before Vice Chancellor Paul A. Fioravanti Jr. that it's stuck in "a procedural morass" in a dispute with its ex-CEO over legal fees. The special purpose acquisition company contests a magistrate's ruling that found it in contempt for withholding fees and imposed a \$25,000 daily fine. The ex-CEO, Patrick Orlando, has been involved in multiple court fights related to Trump Media & Technology Group Corp.'s merger. Additional motions for sanctions remain pending before Magistrate Christian Douglas Wright.

Court action: Hearing in Wilmington.

Trump Media SPAC Brass Unable to Stop Hacking, Breach Suit (1)

Thursday: Schatzow v. Stork, Del. Ch., No. 2024-0485, settlement hearing 4/30/26.

At issue: BP Plc unit Archaea Energy Inc. and its founders agreed to end a derivative lawsuit by paying \$55 million and selling another affiliate, Noble Environmental Inc. But the Noble investors, who alleged its directors diverted resources to benefit Archaea, oppose the deal that was negotiated by a special committee of Noble's board. Michael Schatzow and Scott Wedum say the settlement results from a flawed process marred by conflicts of interest, neglects dilution issues, distributes funds to an invalid shareholder, and unfairly benefits directors rolling shares into a new venture.

Court action: Settlement hearing in Georgetown.

BP's Archaea, Founders to Settle Looting Case, Sell Affiliate

Friday: McCants v. Strong, Del. Ch., No. 2023-0694, settlement hearing 5/1/26.

At issue: Sunlight Financial Holdings Inc. investors have reached a \$8 million settlement with Apollo Global Management Inc. and other architects of its blank-check merger. If approved by the court, the deal would resolve claims that the directors of Spartan Acquisition Corp. II, a SPAC backed by Apollo, failed to disclose key financial information and operational issues that might have affected the investors' choices during the merger. The investors' attorneys from Levi & Korsinsky LLP and Ashby & Geddes PA seek a \$1.18 million fee award, according to a brief.

Court action: Settlement hearing in Wilmington.

Apollo's Sunlight Financial SPAC Deal Hit With Court Challenge

Bloomberg Law Automation also contributed to this story.

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Securities

Manage Newsletters

OneStream Investor Ends Suit Over \$6.4 Billion Take-Private Deal

April 27, 2026, 10:33 AM PDT

A OneStream Inc. stockholder dropped her challenge to the financial management platform's \$6.4 billion buyout by private equity firm Hg a few weeks after the deal closed.

Judge Charles P. Kocoras terminated the case April 24 after the investor, Sonal Rana, said she was voluntarily dismissing claims that the company should've detailed how Hg persuaded OneStream's founder and CEO Thomas Shea to accept a \$24-per-share takeover offer.

Rana sued OneStream, Shea, and eight other directors—including retired US Army general David Petraeus—in the US District Court for the Northern District of Illinois before the acquisition's completion.

OneStream earlier this month announced the take-private deal closed, saying Shea remains CEO and the leadership team was retained

OneStream didn't disclose how Hg convinced Shea to agree to roll over his equity, Rana's suit seeking to pause the deal said—the only clear event appeared to be interactions a week prior between a director allegedly affiliated with KKR and Hg representatives

Information given to the Securities and Exchange Commission indicated PE firm KKR owned 58% of OneStream's outstanding equity, and that its affiliates would receive about \$2.3 billion from the \$24-per-share deal, Rana said

Ademi LLP represents Rana. Counsel for OneStream and its leadership hasn't appeared in this case, according to the docket.

The case is Rana v. OneStream Inc. , N.D. Ill., No. 1:26-cv-01931, 4/24/26 .

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Securities

Virgin Galactic Leaders Settle Derivative Suit for Cash, Reforms

April 24, 2026, 10:49 AM PDT

Members of Virgin Galactic Holdings Inc.'s leadership have agreed to pay the space tourism company \$2.75 million and implement corporate governance changes to settle a suit over alleged safety misrepresentations, according to court filings.

Founder Richard Branson and prominent venture capitalist Chamath Palihapitiya are among the defendants in the case.

Insurers would make the monetary payment if the deal is approved, according to the investors who brought the suit on behalf of the company in the US District Court for the Eastern District of New York. The settlement is fair and warrants preliminary approval, they told Judge Orelia E. Merchant on Thursday.

Thomas Spiteri and four other investors allege undisclosed spacecraft safety issues, overpayments to acquire Virgin Galactic's legacy business, and insider trading.

They disclaim the need for a demand on the board that it act against the directors and top executives itself, saying conflicts make such a demand futile.

A parallel derivative suit was launched after the board refused a litigation demand, according to the approval request. That suit is on pause while a related class action proceeds.

Virgin Galactic and some of its leaders agreed to an \$8.5 million settlement of the proposed class action, announced in November.

Counsel for the investors includes Gainey McKenna & Egleston and Brown Law Firm PC. Latham & Watkins LLP represented the directors and officers as well as Virgin Galactic, which is a nominal defendant.

The case is *In re Virgin Galactic Holdings Inc. Deriv. Litig.*, E.D.N.Y., No. 1:22-cv-00933, motion 4/23/26 .

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Securities

Manage Newsletters

Rain Oncology, Investors Get \$7.3 Million Settlement Finalized

April 27, 2026, 9:52 AM PDT

Rain Oncology Inc.'s nearly \$7.3 million class settlement with investors over a clinical trial failure and 88% stock drop deserves final approval, a federal court ruled.

The deal encountered no objections or opt-outs, Judge Edward J. Davila said in an order docketed April 24 in the US District Court for the Northern District of California. Davila also approved a 25% attorneys' fee award—about \$1.8 million—and roughly \$73,000 in litigation expenses.

The investors alleged Rain misleadingly claimed before its initial public offering that a Phase 3 trial of its cancer drug milademetan was “based on” Phase 1 data

When Rain announced the Phase 3 trial's failure on May 22, 2023, its stock plunged 88% to close at \$1.22 per share

Rain—now a unit of Pathos AI Inc.—agreed to the settlement in October

Levi & Korsinsky LLP is lead counsel for the investors. Gibson, Dunn & Crutcher LLP represents Rain.

The case is Thant v. Rain Oncology Inc. , N.D. Cal., No. 5:23-cv-03518, docketed 4/24/26 .

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US judge reviews Visa, Mastercard \$38 billion swipe fee settlement

 [reuters.com/legal/government/us-judge-reviews-visa-mastercard-38-billion-swipe-fee-settlement-2026-04-27](https://www.reuters.com/legal/government/us-judge-reviews-visa-mastercard-38-billion-swipe-fee-settlement-2026-04-27)

Jonathan Stempel

April 27, 2026

Visa and Mastercard cards are placed on a keyboard in this illustration taken September 24, 2025. REUTERS/Dado Ruvic/Illustration [Purchase Licensing Rights, opens new tab](#)

NEW YORK, April 27 (Reuters) - A U.S. judge on Monday heard arguments for and against Visa's [\(V.N\), opens new tab](#) and Mastercard's [\(MA.N\), opens new tab](#) revised \$38 billion settlement with merchants who accused the card networks of charging too much to process payments on their credit cards.

U.S. District Judge Brian Cogan in Brooklyn, New York, didn't say whether he would grant preliminary approval, but said, during a nearly three-hour hearing, he wasn't looking to use a "meat cleaver" to dismantle the credit card process for card networks, banks, merchants and consumers.

A different judge rejected a \$30 billion settlement in June 2024. Cogan said he will try to rule quickly.

The [settlement](#) announced last November 10 is intended to end litigation that began in 2005, when merchants accused Visa, Mastercard and banks of conspiring to violate U.S. antitrust laws.

Visa and Mastercard agreed to lower so-called swipe fees, or interchange fees, by 0.1 percentage point for five years, and cut standard consumer rates to no more than 1.25% for eight years.

Merchants under the settlement would also get the right to decline higher-cost cards, a departure from the "Honor All Cards" rule requiring them to accept all Visa and Mastercard cards or none, and would get more options to impose surcharges.

Opponents said the settlement would leave merchants with an unwelcome choice of paying too much to accept the popular rewards cards that dominate the card market, or lose revenue by not accepting those cards.

The National Retail Federation, the Merchants Payments Coalition, the National Association of Convenience Stores, and Walmart [\(WMT.O\), opens new tab](#) are among the opponents.

[Swipe fees, opens new tab](#), also known as interchange fees, totaled [\\$118.8 billion, opens new tab](#) for Visa and Mastercard in the United States in 2025, up from

\$111.2 billion in 2024 and \$25.6 billion in 2009, the Merchants Payments Coalition said. The average fee was 2.36%.

LAWYERS DISPUTE FLEXIBILITY AFFORDED TO MERCHANTS

A central feature of the new settlement lets merchants reject whole categories of cards, which include commercial cards, premium consumer cards — including many rewards cards — and standard consumer cards.

But opponents called that change illusory because merchants would still have to "honor all issuers" in a given network — meaning they could not accept cards from one bank and reject cards from another.

"They know this is a deeply unpopular settlement, and they're hoping this court will bind those merchants," said Debra Greenberger, a lawyer for the National Retail Federation.

Steve Shadowen, a lawyer for merchants supporting the settlement, disagreed.

"The settlement delivers nearly every significant bit of relief that the class sought," he said.

Cogan expressed concern about changing too much.

He told a lawyer for Walmart that if merchants prevailed at trial and he had to decide remedies, "it seems to me I'd start looking at it from the perspective of carving away parts of the honor all cards rule, not junking the whole rule ... or going after it with a meat cleaver."

The \$30 billion settlement would have lowered swipe fees by 0.07 percentage point over five years and also allowed more surcharges.

In rejecting that accord in June 2024, U.S. District Judge Margo Brodie said fees would still have been above where they were absent any antitrust violations, and improperly stuck merchants with the "Honor All Cards" rule.

Supporters of the latest settlement included the Electronic Payments Coalition, whose members include the card networks and large issuers such as Bank of America ([BAC.N](#)), [opens new tab](#), Capital One ([COF.N](#)), [opens new tab](#), Chase ([JPM.N](#)), [opens new tab](#) and Citibank ([C.N](#)), [opens new tab](#).

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Mixed rulings shape trajectory of J&J talc litigation

DJ [dailyjournal.com/articles/391018-mixed-rulings-shape-trajectory-of-j-j-talc-litigation](https://www.dailyjournal.com/articles/391018-mixed-rulings-shape-trajectory-of-j-j-talc-litigation)

Daniel S. Robinson

While recent juries have delivered significant verdicts against Johnson & Johnson in talc cases nationwide, particularly for ovarian cancer and mesothelioma claims, trial and appellate courts have been scrutinizing the largest payouts - mainly punitive damages tied to allegations of corporate misconduct.

With tens of thousands of claims still pending and Johnson & Johnson returning to the tort system to fight after failed bankruptcy efforts, the direction of the litigation -- including potential global resolution -- remains uncertain.

For more than a decade, Johnson & Johnson has defended against thousands of lawsuits by plaintiffs who allege its talc-based products, including Baby Powder and Shower to Shower, caused ovarian cancer and mesothelioma, in part due to alleged asbestos contamination.

"Our position has never wavered: Our talc products are safe, do not contain asbestos and do not cause cancer," company litigation president Erik Haas said in a statement, as another bellwether trial was set to start Monday in Los Angeles.

Despite what the company describes as some "major wins" in the litigation at both the trial and appellate levels, a string of recent juries have found Johnson & Johnson at fault.

In 2023, Johnson & Johnson discontinued its talc-based powders in favor of a cornstarch formula. In statements, the company said the move was driven by commercial factors and not related to product safety.

However, plaintiffs have argued the move supports their claims that Johnson & Johnson was aware of the potential risks tied to its talc products.

Over the past year, juries in multiple jurisdictions have returned substantial awards to plaintiffs who alleged the company's talc-based powders caused their cancer. Those verdicts have ranged from a \$40 million ovarian cancer award to two bellwether plaintiffs in Los Angeles to a \$1.5 billion mesothelioma verdict in Baltimore, both of which the company has appealed.

At the same time, courts have significantly shaped these outcomes through post-trial rulings.

In March, Los Angeles County Superior Court Judge Theresa M. Traber upheld the \$40 million award and rejected Johnson & Johnson's post-trial challenges in the coordinated ovarian cancer proceeding. Johnson & Johnson Talcum Powder Cases, JCCP4872 (L.A. Super. Ct., filed Aug. 2, 2016).

In a separate mesothelioma case, Los Angeles County Superior Court Judge Ruth Ann Kwan eliminated a \$950 million punitive award from a \$966 million jury verdict after finding the plaintiffs had not presented clear and convincing evidence of malice needed to sustain such a penalty. *Moore v. Johnson & Johnson et al.*, 21STCV05513 (L.A. Super. Ct., filed Feb. 9, 2021).

Other jurisdictions have recently produced mixed results, including defense wins and more modest plaintiff awards, such as a \$250,000 ovarian cancer verdict in Philadelphia this year and a 2024 ovarian cancer defense verdict in Florida.

Attorneys involved in the litigation, as well as others following the cases, say the recent wave of verdicts reflects a broader shift as more cases reach juries after years of procedural delays.

Between 2021 and 2024, Johnson & Johnson attempted to resolve the litigation through a strategy known as the "Texas Two-Step," moving its talc-related liabilities into a newly created subsidiary that then filed for Chapter 11 bankruptcy.

In bankruptcy filings, the company said the approach was meant to resolve claims in a single, court-supervised process and create a trust to compensate current and future plaintiffs, though critics argued it was designed to limit liability. Bankruptcy courts rejected the strategy.

"I think what we're starting to see is a lot more momentum being gained in that juries across the country are finally getting to see the story of what Johnson & Johnson did, what they knew specifically about the risks and hazards of its baby powder," Wisner Baum LLP partner Ari S. Friedman said. "And I think the verdicts are reflecting that."

Friedman, along with attorneys at Robinson Calcagnie Inc. and Beasley Allen Law Firm, represent bellwether plaintiffs in the coordinated ovarian cancer proceeding in Los Angeles, where the next trial in an initial group of test cases is scheduled to begin Monday.

He pointed to internal company documents introduced at trial, which plaintiffs have used to argue Johnson & Johnson had long-standing knowledge of potential risks associated with its talc products.

"It's Johnson & Johnson's own voice telling the jury ... we knew this was a problem, we continued to sell it anyway," Friedman said.

However, the company has sharply disputed that characterization, arguing the claims are not supported by reliable scientific evidence.

"The plaintiff bar has built its case on false narratives and junk science, chasing runaway verdicts at the expense of the truth," Haas said in a statement, adding that Johnson & Johnson has filed lawsuits against some plaintiff experts "who have authored fraudulent articles falsely claiming that talc causes cancer."

Robinson Calcagnie partner Daniel S. Robinson, who co-led last year's \$40 million plaintiffs' verdict and is co-leading the upcoming trial, said earlier outcomes in the ovarian cancer litigation - including an overturned \$417 million Los Angeles verdict in 2017 - continue to inform how plaintiffs' attorneys approach the cases.

"I think some of the earlier verdicts were taken away because of jurisdictional reasons ... but I still view those as plaintiff wins because the jury found liability and made factual determinations based on the evidence," Robinson said.

"That said, we have a very savvy and sophisticated litigation team on the other side, and we need to do everything we can to avoid creating appellate issues that can be used against us."

Johnson & Johnson is defended in the litigation by a national trial team led by Kirkland & Ellis LLP.

Munley Law partner J. Christopher Munley, a personal injury attorney in Pennsylvania who is not involved in the talc litigation against Johnson & Johnson, described recent verdicts as "signposts" rather than turning points, opining that while some awards have been substantial, the results are too varied across jurisdictions.

"Verdicts have come down that lawyers would call 'bell ringers,' and J&J knows they have a problem. ... But it hasn't all gone in plaintiffs' favor," Munley said.

He added that differences in state court procedures, evidentiary rules and jury composition have contributed to that variability.

The tension between those perspectives underscores a central question in the litigation: whether the accumulation of verdicts will ultimately push Johnson & Johnson toward a global resolution or reinforce its strategy of continuing to litigate the cases individually.

After its third bankruptcy effort was rejected in 2025, Johnson & Johnson said it would shift its focus back to defending the cases in court. "We prevailed in 16 of 17 ovarian cases over the last 11 years and will devote our efforts to defeating those claims," Haas said in a statement.

Friedman said that continued trial wins, particularly those involving punitive damages, reflect juries' strongest findings about corporate conduct and risk. But he acknowledged that those verdicts have not yet translated into meaningful settlement discussions.

Munley similarly pointed to the company's long-term litigation strategy, describing bankruptcy filings and other procedural moves as part of a broader effort to manage exposure over time.

"It's a maneuver that is pervasive in big manufacturing litigation," Munley said. "The defendants try all types of legal maneuvers to escape accountability, and they use every opportunity they can find within the legal system to do it."

At the same time, Munley said those strategies can also function as delay tactics, allowing companies to extend litigation timelines while limiting immediate payouts.

"They play the long game, and many times plaintiffs can't afford to play the long game," Munley said.

Robinson said the litigation is gaining traction again following years of delay tied to the bankruptcy proceedings.

"I believe the lawyers on the plaintiffs' bar are focused and working cooperatively to prevail justice for these 70,000 women who filed cases suffering talc ovarian cancer," he said.

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Devon Belcher

Litigation

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Bayer Gets Mixed Reception at Supreme Court on Roundup Suits (1)

April 27, 2026, 11:06 AM PDT

Summary by Bloomberg AI

AI Generated



- The US Supreme Court heard arguments on Bayer AG's bid to stop lawsuits claiming its Roundup herbicide should have been labeled as a cancer risk.
- The company contends that federal law bars the lawsuits since US regulators didn't require a cancer warning, while the plaintiff's lawyers argue that EPA's determinations don't preclude state courts from making their own judgments.
- The court will rule by early July on the case, which could have implications for the medical-device, cosmetic and food industries and has already cost Bayer more than \$10 billion in litigation.

The US Supreme Court gave Bayer AG a mixed reception on its bid to stop tens of thousands of lawsuits claiming its Roundup herbicide should have been labeled as a cancer risk.

Hearing arguments in Washington Monday, the justices weighed a \$1.25 million jury verdict won by a Missouri man who blamed Roundup for his non-Hodgkin lymphoma. The company contends that since US regulators didn't require a cancer warning, federal law bars the Missouri suit and others like it.

The company drew supportive comments from Justice Brett Kavanaugh, who questioned whether lawsuits alleging a failure to warn could be squared with a provision in federal law requiring "uniformity" in herbicide labels. But Chief Justice John Roberts suggested states considering new evidence of a product's health risk should be allowed to "do something to call this danger to the attention of the people."

Bayer is looking to the Supreme Court to help put an end to litigation that has cost the company more than \$10 billion and cast a pall over its stock price. A ruling favoring Bayer could also help the medical-device, cosmetic and food industries, which are governed by laws similar to the one at the center of the Bayer case. The court will rule by early July.

Read More: [Bayer Banks on Supreme Court Help to Rein In Roundup Suits](#)

Bayer contends that federal law supersedes, or “preempts,” traditional state-law claims for failure to warn. The case centers on the Federal Insecticide, Fungicide, and Rodenticide Act, which sets out rules for pesticides including the requirement of an adequate label. FIFRA, as the law is known, also says that states can’t impose additional mandates.

Bayer says the latter provision means that once the Environmental Protection Agency approved Roundup’s mandatory label without requiring a cancer warning, the company can’t be sued for not having one. The company has steadfastly maintained Roundup is safe and doesn’t cause cancer.

Lawyers for the plaintiff, John Durnell, say EPA’s determinations don’t preclude state courts from making their own judgments about the need for a warning.

(Updates with excerpts from argument in third paragraph.)

--With assistance from **Sonja Wind** and Jef Feeley.

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Class Action

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Bayer Banks on Supreme Court Help to Rein In Roundup Suits (1)

April 27, 2026, 5:25 AM PDT

Summary by Bloomberg AI AI Generated



- Bayer AG is counting on the US Supreme Court to pare down lawsuits over its Roundup weedkiller and help corral the decade-long litigation that has cost the company more than \$10 billion.
- Bayer's attorneys will urge the high court to overturn a \$1.25 million Missouri jury verdict for a man who claims Roundup caused his non-Hodgkin lymphoma and should have had a cancer warning label.
- The company contends that since US regulators didn't require a cancer warning, federal law bars those types of suits, and a favorable ruling from the justices could largely end the Roundup litigation.

Bayer AG is counting on the US Supreme Court to pare down lawsuits over its top-selling Roundup weedkiller and help corral the decade-long litigation that has cost the company more than \$10 billion and cast a pall over its stock price.

Bayer's attorneys during arguments Monday will urge the high court to overturn a [\\$1.25 million](#) Missouri jury verdict for a man who claims Roundup caused his non-Hodgkin lymphoma and should have had a cancer warning label. The company contends that since US regulators didn't require a cancer warning, federal law bars those types of suits.

Officials of the German pharmaceutical and crop-science giant are banking on a favorable ruling from the justices, saying on the company website that "could largely end the Roundup litigation." Bayer, which has already spent billions of dollars defending and settling Roundup cases, recently reserved \$11.25 billion (€9.6 billion) to deal with approximately 65,000 outstanding suits, according to the company's latest securities filings .

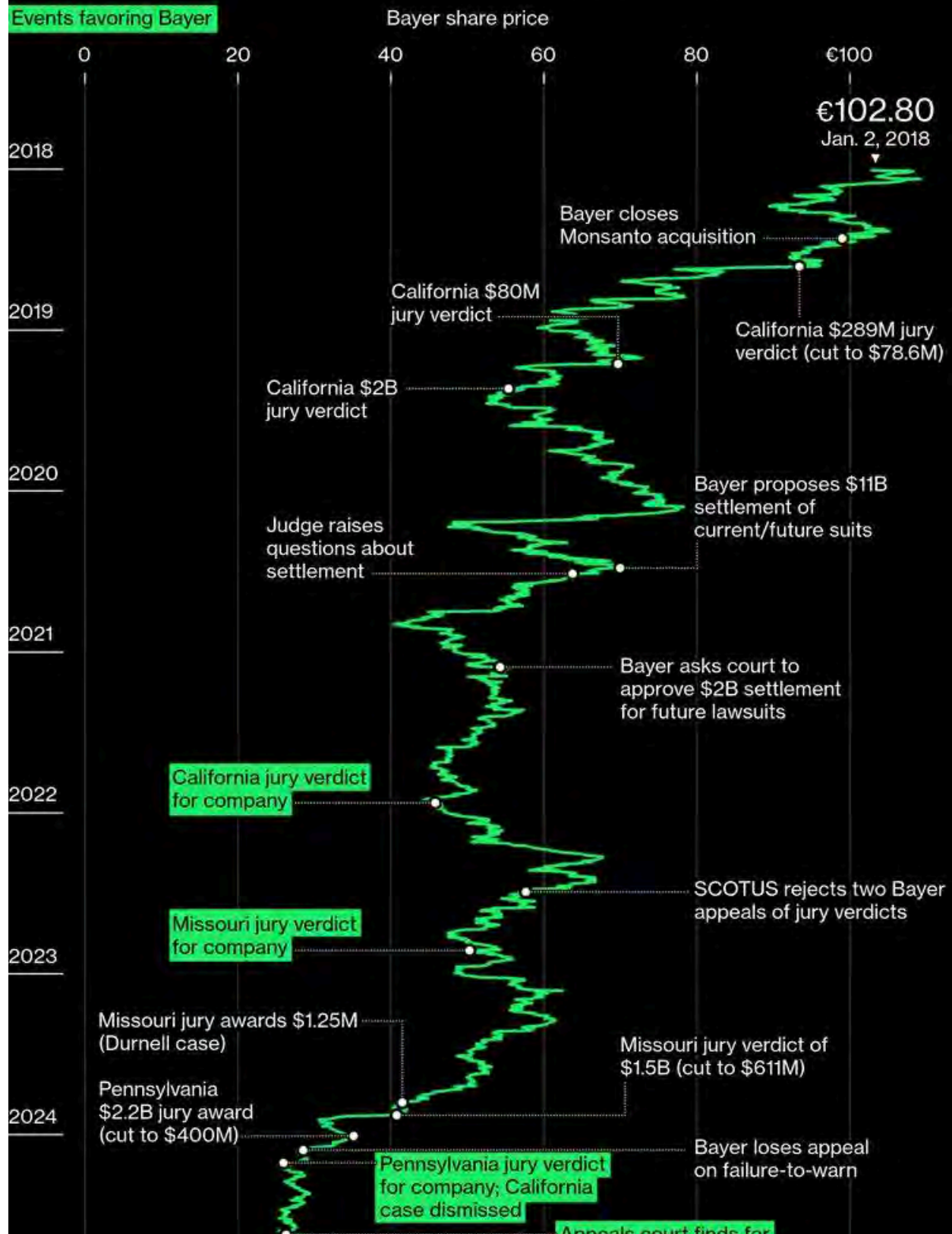
Bloomberg Intelligence analyst Holly Froum estimated in a note that about \$787 million in existing Roundup verdicts could be affected by the Supreme Court case. If the justices rule for Bayer, "it would eliminate plaintiffs' strongest claim." The court will rule by early July.

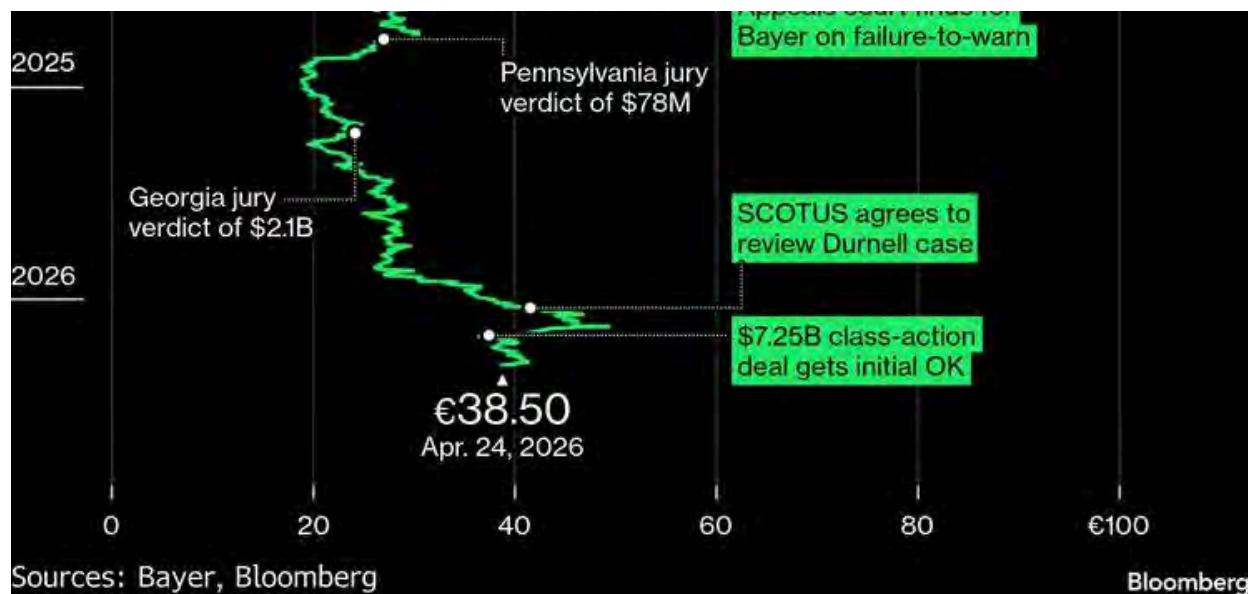
Bayer officials have steadfastly insisted the weedkiller is safe and doesn't cause cancer. The US Environmental Protection Agency has found that glyphosate, the active ingredient in Roundup, is "unlikely to be a human carcinogen" and has not required a cancer warning on its label. Still, the company removed the version based on glyphosate from the US residential market in 2023.

But the company has struggled to contain the litigation it inherited after buying Roundup manufacturer Monsanto for \$63 billion in 2018. Out of 28 cases that have gone to trial since 2015, plaintiffs have won 11, according to Bayer's 2025 annual report . Several have produced major damage awards.

Roundup Lawsuits Have Cast a Cloud Over Bayer Shares

Jury awards against Bayer piled up before Supreme Court took case





"From an operational perspective, Bayer is now in a much stronger position than the share price would suggest," said Markus Manns, portfolio manager at Frankfurt-based asset manager Union Investment, a Bayer investor. "Bayer is well on its way to reducing legal risks, but even lawyers find it difficult to assess the chances of success."

Bayer needs both a win at the Supreme Court and acceptance of a proposed [\\$7.25 billion](#) class-action settlement filed in state court in Missouri to take the legal risks off the table, Manns said. Bayer hopes to entice former Roundup users to review the compensation offer.

The litigation has cast such a cloud over Bayer's stock, which is down about 60% since the Monsanto deal, that Chief Executive Officer Bill Anderson is weighing whether the company should even continue making glyphosate. Anderson also has vowed to get a handle on the litigation by the end of this year through a multipronged effort that also includes lobbying state and federal lawmakers.



Bayer AG CEO Bill Anderson

Photographer: Krisztian Bocsi/Bloomberg

At the Supreme Court, Bayer contends that federal law supersedes, or “preempts,” traditional state-law claims for failure to warn. The case centers on the Federal Insecticide, Fungicide, and Rodenticide Act, which sets out rules for pesticides including the requirement of an adequate label. FIFRA, as the law is known, also says that states can’t impose additional mandates.

Bayer says the latter provision means that once the Environmental Protection Agency approved Roundup’s mandatory label without requiring a cancer warning, the company can’t be sued for not having one.

President Donald Trump has embraced glyphosate, moving in February to ramp up domestic production. His administration has been backing Bayer, filing a brief in support and arguing alongside the company Monday.

“States may not impose different requirements based on their disagreement with EPA’s scientific judgment,” US Solicitor General D. John Sauer said in court papers.

Various farm, business and nonprofit groups also have signed on to briefs filed at the Supreme Court in support of Bayer’s arguments that a uniform framework for pesticides is better than a patchwork of state laws with their own labeling rules. The US Chamber of Commerce and other business groups say the medical-device, cosmetic and food industries are governed by similar laws and could be affected by the case.

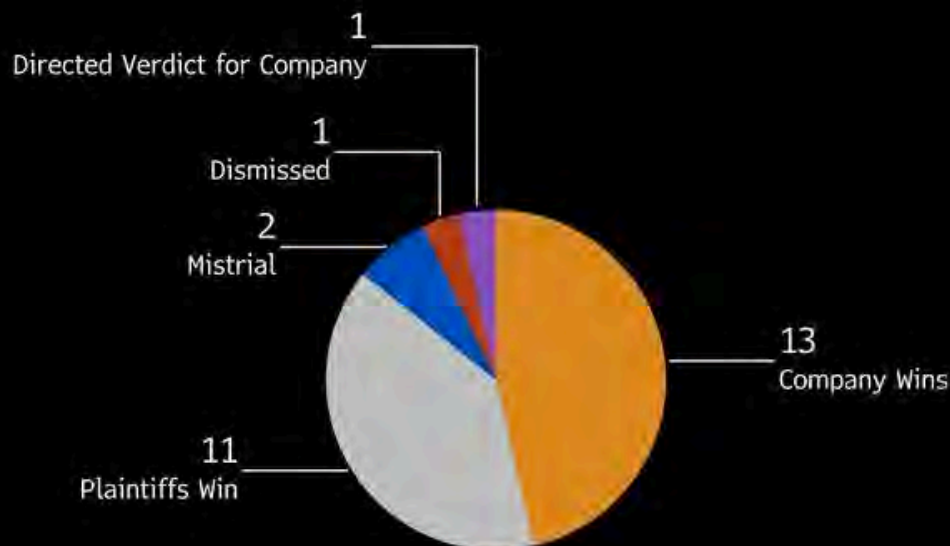
“The security and affordability of the nation’s food supply depend on farmers’ and manufacturers’ ability to rely on the science-based judgments of federal regulators,” Bayer said in an emailed statement. “Clarification from the court is essential to restore uniformity, certainty, and the rule of law.”

Lawyers for the plaintiff, John Durnell, say EPA’s determinations don’t preclude state courts from making their own judgments about the need for a warning. The agency’s findings “are nothing more than EPA’s opinion on the matter,” Durnell argued.

Durnell's supporters include consumer and food-safety advocates who say the EPA review process is inadequate because of loopholes, data gaps and corporate influence over the agency.

US Trial Courts Have Split Verdicts in 28 Roundup Lawsuits

Supreme Court will weigh failure-to-warn claims about weedkiller



Source: Bloomberg, Bayer filings

Note: One company win was overturned on appeal and will be reheard later in 2026.

Bloomberg

The Supreme Court ruled in 2005 that FIFRA allowed some types of state-law claims, including allegations of defective design, defective manufacture and negligent testing. But the court said failure-to-warn claims could go forward only if they would impose requirements "equivalent" to those under FIFRA and not if they would apply more stringent rules.

Justice Clarence Thomas, the court's longest serving member, worked as an in-house counsel for Monsanto for more than two years in the late 1970s, but is expected to hear the case along with his eight colleagues. He has not recused in previous cases involving the company.

Even if the Supreme Court rules in Bayer's favor on the failure-to-warn issue, it won't lead to massive numbers of cases being thrown out or voluntarily dismissed, said Carl Tobias, a University of Richmond law professor who teaches about product-liability cases.

"There will still be other claims left in cases, for negligence and defective design, that will be unaffected if failure-to-warn goes away," Tobias said. "I don't see any maneuver that can wipe all the cases out. That's pretty much mission impossible."

A representative for Bayer said that the company's settlement proposal includes cases that go beyond failure-to-warn claims and are based on other legal theories.

The nation's highest court isn't the only place Bayer is targeting Roundup suits. The company has in the last few years launched a lobbying effort among US states to revise their individual failure-to-warn laws to bar the claims from being weighed by juries.

So far, only Georgia, Kentucky and North Dakota have made such revisions. Bayer's efforts failed to get Idaho, Iowa and Missouri legislators to make the changes.

Georgia legislators changed the state's statutes last year after Bayer was hit with a \$2.1 billion jury award on the basis that homeowner John Barnes was entitled to punitive damages for the company's failure to warn about the product's risks. The company later settled with Barnes.

"They've launched an extensive lobbying campaign at all levels of government," said Angela Huffman, president of the Farm Action nonprofit, a farmer-led watchdog group over the US food supply. "They've had bills introduced in 15 states, but only three have signed on to their position."

Bayer also set its sights on Congress, using its group Modern Ag Alliance to advocate for liability shields for manufacturers that make chemicals farmers use to take out weeds and bugs in their fields.

In addition to the Supreme Court case, the company is offering ex-Roundup users a chance to resolve claims via a [\\$7.25 billion](#) class-action settlement.

Payments to those who have already sued could reach \$160,000 per person depending on the plaintiffs' age and severity of illness, according to a website created by the settlement's supporters. Those with less-aggressive forms of non-Hodgkin lymphoma could receive \$40,000, the site shows. Its unclear what future claimants could expect in payments but the funds will be paid out over 21 years.

The specific terms of the new accord require [nearly 100%](#) of current and future Roundup plaintiffs to be part of the deal or it won't be consummated. Ex-Roundup users have the right to opt-out of the accord and take their case back to court if they don't like the compensation offer. A St. Louis judge who must give final approval to the accord will hear objections July 9.

"The opt-outs need to be something approaching zero," Anderson said in a March investor call. "If people opt out, then you don't really have an agreement, and then we would have to move on to other potential solutions."

The overall goal of the Roundup containment campaign may be to enhance Bayer's leverage in settlement talks, said Elizabeth Burch, a University of Georgia law professor who specializes in product-liability law.

Although the failure-to-warn approach has been "the workhorse of nearly every successful Roundup verdict," a Supreme Court win wouldn't mean an "automatic dismissal" of all the cases, Burch said. Instead, it would put Bayer "in a much better bargaining position" to settle the cases at a lower cost.

(Updates with additional conditions of proposed settlement.)

--With assistance from Christopher Cannon .

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U.S. SUPREME COURT

Public support for Supreme Court is falling, new poll finds

APRIL 24, 2026, 1:30 PM CDT



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Members of the Supreme Court in 2022. (Photo by Jabin Botsford/The Wa Post)

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Approval of the U.S. Supreme Court is declining, according to a new [national survey poll](https://today.marquette.edu/2026/04/new-marquette-law-school-poll-national-survey-finds-partisan-divides-on-most-supreme-court-cases-with-varying-views-of-trump-playing-a-large-role-including-within-republican-opinion) (<https://today.marquette.edu/2026/04/new-marquette-law-school-poll-national-survey-finds-partisan-divides-on-most-supreme-court-cases-with-varying-views-of-trump-playing-a-large-role-including-within-republican-opinion>) by the Marquette University Law School, with only 43% of respondents giving the justices high marks.

The survey also found that Americans pay little attention to the high court, but when they bother, they tend to regard the Supreme Court according to partisan politics.

In March 2025, approval of how the Supreme Court was handling its job was at 54% but has decreased by over 10% since then, according to a [story by Courthouse News Service](https://courthousenews.com/public-support-for-scotus-slips-in-trumps-second-term) (<https://courthousenews.com/public-support-for-scotus-slips-in-trumps-second-term>).

The survey, which polled 982 adults nationwide, was conducted between April 8 and April 16, 2026.

The survey also found that 66% of respondents favored the Supreme Court's Feb. 20 ruling that President Donald Trump did not have authority to impose tariffs under the International Emergency Powers Act, while 33% opposed the decision. Partisan politics affected how the decision was viewed, with 61% of Republicans opposing the ruling, while 73% of independents favored the ruling, as did 92% of Democrats.

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Justices Won't Review Ex-Ohio House Speaker's RICO Case (1)

April 27, 2026, 6:58 AM PDT; Updated: April 27, 2026, 10:18 AM PDT

Summary by Bloomberg AI

AI Generated



- The US Supreme Court declined to review the criminal conviction of former Ohio House Speaker Larry Householder, who is serving 20 years for a racketeering conspiracy conviction tied to bribes he accepted from FirstEnergy Corp.
- The court also declined to take up the case of former Ohio Republican Party Chairman Matthew Borges, who lost at the same trial and made a similar argument to Householder for the justices to review his case.
- The next step for Householder is to seek clemency from President Donald Trump, according to his representative Scott A. Pullins, who called the court's decision a "sad day" for Householder and Borges' families and "a sadder day for free speech and the rule of law".

The US Supreme Court said Monday that it wouldn't review the criminal conviction of former Ohio House Speaker Larry Householder, who's serving 20 years for a racketeering conspiracy conviction tied to \$60 million in bribes he accepted from FirstEnergy Corp.

The justices also declined to take up the case of former Ohio Republican Party Chairman Matthew Borges, who lost at the same 2023 trial.

Householder (R) told the justices that they should revisit a decades-old decision on how specific evidence on an agreement to give something in exchange for favorable treatment or acts must be in corruption cases. Borges, who was ensnared while lobbying for a FirstEnergy affiliate, made a similar argument to Householder for the justices to review his case while also emphasizing that the issue was about alleged bribes funneled as "lawful campaign contributions."

US Solicitor General D. John Sauer had urged the court not to review the cases.

The men were convicted in a case that involved FirstEnergy bribe money pumped into Householder-controlled nonprofits to get the speaker elected and to ram through a \$1.3 billion legislative package to bail out two nuclear power plants the Akron, Ohio-based utility owned at the time, as well as to scuttle a voter referendum to repeal the legislation.

Scott A. Pullins of Mount Vernon, Ohio, who represents Householder in some legal matters, called it a "sad day" for Householder and Borges' families, but "a sadder day for free speech and the rule of law." The next step is to seek clemency from President Donald Trump, Pullins said.

"We will now return to our efforts to release Speaker Householder from his unjust, excessive incarnation via executive action," he said.

Eight people have been charged in the wake of the myriad investigations, which became public in in 2020. In addition to the jury verdict against Householder and Borges, two others pleaded guilty while another two died by suicide. A trial in state court for Former FirstEnergy CEO Charles Jones and fellow ex-executive Michael Dowling ended with a hung jury, though Ohio Attorney General Dave Yost (R) said he'd retry the pair.

Householder is represented in the criminal case by Marein & Bradley. Borges is represented by Litson PLLC.

The cases are Householder v. U.S. , U.S., No. 25-756, cert denied 4/27/26 and Borges v. U.S. , U.S., No. 25-757, cert denied 4/27/26 .

(Updates with statement from a Householder attorney.)

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US Supreme Court hears Bayer's fight against Roundup lawsuits

 [reuters.com/legal/government/us-supreme-court-hears-bayers-fight-against-roundup-lawsuits-2026-04-27](https://www.reuters.com/legal/government/us-supreme-court-hears-bayers-fight-against-roundup-lawsuits-2026-04-27)

Andrew Chung

April 27, 2026

Monsanto Co's Roundup is shown for sale in Encinitas, California, U.S., June 26, 2017. REUTERS/Mike Blake/File Photo [Purchase Licensing Rights, opens new tab](#)

- Consumers sue over cancer they attribute to Roundup
- Bayer says state law claims preempted by federal law

WASHINGTON, April 27 (Reuters) - The [U.S. Supreme Court](#) is set on Monday to consider Bayer AG's [\(BAYGn.DE\), opens new tab](#) effort to shut down thousands of lawsuits accusing the company of failing to warn users that the active ingredient in its Roundup weedkiller causes cancer.

The justices are due to hear arguments in Bayer's appeal of a jury verdict in Missouri state court awarding \$1.25 million to a man named John Durnell who said he was diagnosed with non-Hodgkin lymphoma after years of exposure to glyphosate in Roundup.

Bayer contends that a federal law governing pesticides should prevent failure-to-warn claims like Durnell's that are brought under state law from moving forward in court. The German drugmaking and crop science company said that the U.S. Environmental Protection Agency has repeatedly found that glyphosate does not cause cancer and approved its product labels without a warning.

More than 100,000 plaintiffs have filed cases in U.S. state and federal courts alleging a cancer link, according to the company. It has said a Supreme Court ruling in its favor should largely bring the Roundup litigation to an end.

A number of crop farming and agricultural industry groups are backing Bayer in the case, as is Republican President [Donald Trump](#)'s administration. Several environmental, farm worker and public health groups have filed court papers backing Durnell.

Bayer acquired Roundup as part of its \$63 billion purchase of agrochemical company Monsanto in 2018. The torrent of litigation prompted Bayer to remove glyphosate from its consumer version of Roundup, and the company said that the lawsuits could threaten its ability to supply the herbicide to farmers.

Facing billions of dollars in potential liability, Bayer announced in February a proposed \$7.25 billion [settlement](#) to resolve tens of thousands of current and future lawsuits. The settlement would not affect claims that stem from pending

appeals or that fall outside the deal, according to the company. Those amount to nearly \$1 billion, it said.

The sprawling dispute centers on a U.S. law called the Federal Insecticide, Fungicide and Rodenticide Act, or FIFRA, that governs the sale and labeling of pesticides and bars states from imposing differing or additional requirements. The regulation notably prohibits pesticides that are "misbranded" with labels that lack an adequate warning to protect health and the environment.

Bayer has argued that Durnell's claims are preempted by FIFRA. The EPA has repeatedly approved labels without such a cancer warning, demonstrating that these products are not misbranded, the company said, adding that labels cannot be substantially changed without the agency's approval.

Durnell's lawyers said that despite the EPA's registration of Roundup, the label may still be challenged as misbranded. They also said Durnell's claims are not preempted because Missouri state law that requires products to adequately warn of dangers imposes the same requirements as FIFRA's prohibition on misbranding. Durnell sued Monsanto in Missouri state court in 2019, claiming it failed to warn users of the dangers associated with Roundup and glyphosate.

He was diagnosed with a rare and often aggressive form of non-Hodgkin lymphoma, a cancer that starts in the white blood cells, and attributed the disease to his exposure to Roundup starting in 1996. For about 20 years he was the "spray guy" for a neighborhood association in St. Louis, killing weeds at local parks without protective equipment, according to court papers.

A jury sided with Durnell in 2023, and in 2025 a state appeals court upheld that verdict.

A Supreme Court ruling is expected by the end of June.

A Reuters/Ipsos poll released last week highlighted the Trump administration's risks in backing Bayer. In it, 63% of poll respondents said they [oppose protecting companies](#) from lawsuits when they sell cancer-causing products, even if the company warns about the risk.

Reporting by Andrew Chung; Additional reporting by Diana Novak Jones, Leah Douglas and Jason Lange; Editing by Will Dunham

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Securities

Wigdor Lawyer in Leon Black Case Sanctioned for 'Repeated' Lies

April 24, 2026, 8:04 AM PDT

A former attorney for a woman who claimed she was raped by financier Leon Black must face a range of sanctions for her conduct in the case.

Jeanne M. Christensen of Wigdor LLP "lied repeatedly" to Southern District of New York Judge Jessica G.L. Clarke and opposing counsel about what was happening in a related action, and directed the Jane Doe plaintiff, who is proceeding pro se, to destroy the Twitter account Doe used to communicate about her experiences as a purported victim of Jeffrey Epstein, Clarke said Friday.

While Clarke said while she "seriously" considered terminating Doe's case because of her and Christensen's "serious, sanctionable misconduct," she declined to do so because it "need not doom Plaintiff's claim."

Christensen has been ordered to share Clarke's opinion with any federal court within the Second Circuit in which she's counsel of record for the next year. For the next five years she must share the opinion in any Second Circuit court where a sanctions motion has been filed against her, Wigdor LLP, or her client, and where she's counsel of record.

Christensen and Wigdor also must pay Black's "reasonable" attorneys' fees and costs in bringing the sanctions motion.

Christensen told "several lies" to this Court and opposing counsel about what occurred in a related proceeding brought by Epstein survivors, called *Doe 1 v. JP Morgan Chase & Co.*, Clarke said.

Doe also falsified sonogram images in her personal journals, which her first amended complaint "relies on" to support her allegations, the judge said.

In December 2024, Christensen filed a letter opposing the Black's attempts to seek documents from the *Doe 1* action, which described the proceedings that had taken place in front of Southern District Judge Jed Rakoff. That letter "directly mischaracterized" the proceedings and Rakoff's approach, Clarke said.

Clarke's ruling "is a thorough repudiation of Doe's and Wigdor's claims—and their credibility," said one Black's lawyers, Susan Estrich of Estrich Goldin LLP in a written statement. "Wigdor and Doe should never have filed this case against Mr. Black."

"Black's objective was for the court to dismiss this case and while we are upset about the sanction, we are pleased that our former client will get her day in court," Wigdor name partner Douglas Wigdor said in a written statement.

Quinn Emanuel Urquhart & Sullivan LLP and Perry Law also represent Black.

The case is Doe v. Black , 2026 BL 146788, S.D.N.Y., No. 1:23-cv-06418, 4/23/26 .

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Supreme Court Deals Final Blow to Former Ohio GOP Speaker in \$60M Bribery Case

 [newsweek.com/supreme-court-upholds-householder-borges-convictions-11883339](https://www.newsweek.com/supreme-court-upholds-householder-borges-convictions-11883339)

April 27, 2026



The U.S. [Supreme Court](#) on Monday upheld the federal racketeering convictions of former [Ohio](#) House Speaker Larry Householder and former lobbyist Matt Borges in the state's sweeping \$60 million [bribery](#) scandal, leaving intact their prison sentences.

The justices declined to overturn a unanimous ruling by a three-judge panel of the 6th U.S. Circuit Court of Appeals, which last May rejected the defendants' challenges to their convictions. Householder and Borges had sought Supreme Court review after the appeals court denied requests for a rehearing by the full bench.

No reason was provided as to why the court decided against taking the case, which was included on the court's "Certiorari Denied" list published Monday morning.

Newsweek reached out to lawyers for Householder and Borges for comment via email.

Why It Matters

The court's ruling has legal implications for one of the largest corruption scandals the country has faced in recent years involving Householder. The scandal has drawn national attention and concerns about campaign finance.

How the \$60 Million FirstEnergy Bribery Scheme Worked

Federal prosecutors secured the convictions in March 2023 following a yearslong investigation and a trial that lasted more than six weeks. Authorities said Householder, once one of the most powerful figures in Ohio politics, led a criminal enterprise funded by Akron-based utility FirstEnergy Corp.

Prosecutors said the scheme used secret payments to help elect Republican allies, install Householder as speaker, and pass a \$1 billion bailout for two nuclear power plants tied to FirstEnergy. The group then worked to protect the law, known as House Bill 6, from a voter-backed repeal effort.

Householder, now 66, was sentenced to 20 years in prison. Borges, 53, a former chair of the Ohio Republican Party, received a five-year sentence for his role in undermining the repeal campaign. He was released to a Cincinnati halfway house in October and is scheduled to be released November 12, according to the Bureau of Prisons.

Former U.S. Attorney David DeVillers described the case as “likely the largest bribery, money laundering scheme ever perpetrated against the people of the state of Ohio.”

Householder and his coconspirators accepted nearly \$61 million to pass a billion-dollar bailout for a nuclear plan, according to the Department of Justice (DOJ). They accepted the funds and went on to help defeat a ballot initiative to overturn the bailout.

He began receiving \$250,000 payments from the energy companies each quarter into a bank account for his 501(c)(4), Generation Now. His team spent millions of the company’s funds to help him become speaker, to support candidates who would be likely to support him and for their own personal benefit, the DOJ said.

Prosecutors said he used more than half a million dollars to pay off credit card debt, repair his home in Florida and settle a business lawsuit.

Borges was budgeted \$25,000 to bribe an Ohio GOP operative to promote the bailout, prosecutors said.

Between 2004 and 2023, a total of 17,772 individuals have been convicted in public corruption cases, according to DOJ data. From 2014 to 2023, there were 175 corruption convictions in Ohio.



Former Republican Speaker Larry Householder speaks to the media immediately after his expulsion from the Ohio House on Wednesday, June 16, 2021, in Co...

Larry Householder's Supreme Court Argument Explained

Householder filed a petition with the court challenging the legal standard used to convict him of bribery, Hobbs Act extortion, and honest services wire fraud, arguing it conflicts with long-standing court precedent protecting political speech and campaign fundraising

His lawyers wrote there was "nothing surprising, nor illegal" about Householder wanting to become speaker.

"For Larry Householder, a public official with a long history of supporting utility companies, this meant accepting contributions—large ones—from an Ohio utility company who was suffering financial hardship and needed legislation to be passed to help it recover. Not surprisingly, that company, FirstEnergy, decided to support the selection of state representative candidates who would be loyal to Householder, with the expectation that a Householder-led Ohio House would be supportive of FirstEnergy," his legal team wrote in a petition to the court.

What Happens Next

The Supreme Court is the highest-ranking court in the country, so its denial is final. With no formal ruling being issued, the decision is unlikely to have any effect on future corruption cases.

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April 27, 2026

What to expect as Ohio utility corruption trial heads for a do-over

Kathiann M. Kowalski, Canary Media

Apr 27, 2026

Ex-FirstEnergy Senior Vice President Michael Dowling and former FirstEnergy CEO Chuck Jones converse during their trial in Summit County Common Pleas Judge Susan Baker Ross's courtroom in Akron on March 6, 2026. (Pool photo by Mike Cardew/Akron Beacon Journal.)

This story was originally published by Canary Media.

The historic criminal trial of two former FirstEnergy executives ended with a deadlocked jury and mistrial. Now, they're set to stand trial for a second time on the same state criminal charges related to Ohio's House Bill 6 utility corruption scandal.

It's the latest twist in the largest corruption scandal in state history, in which FirstEnergy's executives allegedly bribed officials to pass and protect HB 6, a 2019 law to bail out uncompetitive coal and nuclear plants and to gut the state's clean energy standards. Judge Susan Baker Ross plans to begin the new trial on Sept. 28.

The effects of the scandal are visible to this day: Ohioans have less solar and wind power, pay higher energy bills, and continue to have more pollution as a result of HB 6.

The state's criminal case has focused on allegations that the former executives paid a \$4.3 million bribe to a company owned by the late Sam Randazzo, weeks before he became Ohio's top utility regulator. Other claims include fraud, money laundering, records tampering, racketeering, and conspiracy.

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The defendants, FirstEnergy's former CEO Chuck Jones and its former senior vice president for external affairs Mik Dowling, have pleaded not guilty in the state case and in a pending federal criminal case against them.

FirstEnergy admitted in 2021 that it and its subsidiaries had paid approximately \$60 million to dark money groups, which then funneled the funds to an organization controlled by former Ohio House Speaker Larry Householder. Householder was convicted in 2023 on charges under the federal Racketeer Influenced and Corrupt Organizations Act.

State prosecutors did not include charges about Householder in their indictment, so Baker Ross kept that evidence out of the state case. She also excluded statements by FirstEnergy lawyers that fingered Jones and Dowling as the individuals who made the payments.

The judge's rulings also kept jurors from learning about FirstEnergy's admission in a deferred prosecution agreement that it paid the \$4.3 million to Randazzo's company shortly before he became chair of the Public Utilities Commission of Ohio. In return, FirstEnergy expected Randazzo to pass HB 6 and otherwise further the company's priorities "as requested and as opportunities arose," the company admitted in the agreement.

The two-month trial ended on March 31 when jurors made it clear they could not reach a unanimous verdict.

Minimizing confusion at the retrial

Ashley Brown, a former public utilities regulator for Ohio, said confusion could have led to the hung jury.

"The prosecutor failed to provide a full context of the legal ethics and regulatory aspects of the case," Brown said.

Even when Dennis Deters, a current public utilities commissioner, was on the stand, the state's lawyers did not ask him to explain some basic issues that are obscure for most of the public, Brown noted.

In the state's retrial, a better grounding could help guide jurors when testimony again gets into the weeds.

SUPPORT

Additional context could have helped rebut suggestions in testimony by other former FirstEnergy executives that money payments under secret side agreements were common and somehow acceptable in regulatory cases. In fact, regulators fined FirstEnergy nearly \$19 million for that violation last fall.

Similarly, the first trial included multiple instances in which cross-examination by defense lawyers mixed up different aspects of utility regulation. The defense at one point treated money that FirstEnergy earned as compensation or incentives for offering energy-efficiency programs as equivalent to a charge it could collect under HB 6 for basically doing nothing.

“Most people don’t understand how that all works,” said Michael Benza, a professor at Case Western Reserve University School of Law who teaches criminal law and procedure. “So corruption can kind of hide in plain view because nobody understands what’s happening in the first place.”

The defense’s cross-examination also suggested that Randazzo couldn’t have been acting on FirstEnergy’s behalf, because ending the energy-efficiency standard cut off some of the fees the company had collected, and because Randazzo already wanted to get rid of the standard. On retrial, the prosecution might include evidence that FirstEnergy tried to put the brakes on Ohio’s energy efficiency standard as early as 2012. And, of course, one can still be paid unlawfully for something they otherwise want to do.

Brown also pointed out a question that the jurors sent the judge last month, asking for clarification about whether a bribe can happen before someone formally submits their application for a public appointment. From Brown’s perspective, the question was a legal one, to which the judge should have answered yes.

Trials’ timing may matter

The federal case against Jones and Dowling does not yet have a trial date, although one could be set next month.

As a general rule, what happens in the state criminal case should not affect what happens in the federal case, Benza said. Nonetheless, if the defense ultimately gets a verdict of not guilty in the state case, it could change how federal prosecutors approach their trial.

Because the federal case alleges violations of Ohio law in order to prove there was a pattern of corrupt activity under the Racketeer Influenced and Corrupt Organizations Act, however, the state case might well influence the federal one. A not-guilty verdict on charges related to bribing Randazzo could block that part of the case dealing with allegations about him, suggested David

DeVillers, a former U.S. attorney for the Southern District of Ohio who is now in private practice with Barnes & Thornburg in Columbus. The federal government could still move ahead on the allegations relating to Householder.

For now, both the prosecution and defense will hope that the jury comes back with a unanimous verdict in their favor the next time around. But, Benza stressed, a “not guilty” verdict is not an acquittal.

“‘Not guilty’ does not mean you’re innocent,” he said. “The jury by saying ‘not guilty,’ at best, is saying that the prosecution failed to prove an element or elements of its case.”

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Opinion

Matt Levine's Money Stuff: Everything Is Commodities Fraud

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Special Forces insider trading

Imagine if prediction markets had been big in 2011. SEAL Team Six load up in their helicopters to raid Osama Bin Laden's compound, they check their weapons, pull their night-vision goggles into place, open up their phones and log into Polymarket to buy a few "Osama Bin Laden Captured or Killed By May 31" contracts. They land and shoot him and pause to buy a few more contracts before getting back in the helicopters. By the time they return to headquarters, they are all rich, and news organizations are running headlines like "Polymarket Surge Shows We Likely Got Bin Laden."

In the last 15 years, the world has gotten dumber in many ways, [including this one](#) :

A US Army soldier was charged with using classified information about the timing of the capture of then-Venezuelan President Nicolás Maduro to make more than \$400,000 trading on Polymarket's prediction market, the Justice Department said Thursday.

Gannon Ken Van Dyke, 38, a special forces soldier stationed at Fort Bragg in Fayetteville, North Carolina, was involved in the planning and execution of Operation Absolute Resolve, a military effort to capture Maduro, the US said.

Prosecutors said that around Dec. 26, Van Dyke created and funded a Polymarket account, and began trading on contracts tied to whether Maduro would be out as Venezuela's leader. He placed a total of about 13 bets from Dec. 27 through the evening of Jan. 2 all taking "YES" positions on various Maduro-related questions posed by the trading platform, which allows users to wager on the outcome of real world events.

Here are the Justice Department press release, the indictment, the US Commodity Futures Trading Commission press release and the CFTC complaint. "Like countless other Americans," reports the Wall Street Journal, "Van Dyke appeared intent on generating multiple income streams."

Mostly this is a simple insider trading case: He got material nonpublic information as part of his job in the Army, he had an obligation to keep it confidential and he (allegedly) traded on it in violation of that obligation. Fine. But I [wrote last week](#) that prediction markets "are not only in the business of predicting reality: They're also in the business of changing it." It is now apparently the case that a US Army master sergeant can make \$400,000 by betting on the capture of a foreign leader. (Illegally!) How might that change military operations and foreign policy? One might make guesses like:

1. There might be more abductions of foreign leaders? More wars? More stuff to bet on? More *stuff*, generally? More volatility; more unexpected events. The least likely outcome is, now, the most profitable: If you bet on an event at a 1% probability, and then cause it to happen, you will make 99 times your money. My [overarching theory of current US policy](#) is that everyone involved in the Trump administration basically loves creating volatility. If you're in the business of creating forms of volatility that no one has ever imagined before, the simplest (not only!) way to monetize that is on prediction markets.

2. Conversely, foreign leaders whom Donald Trump dislikes should probably be checking their removal probability on Polymarket every few minutes. If it suddenly jumps up, you'll want to get to the bunker quick. It *might* just be uninformed speculation, but at this point it's *probably* someone on the helicopter getting in one last trade before rappelling down into your compound. Prediction markets are now a way to [probabilistically leak military plans](#), and the targets of those plans are the obvious users of the leaks.

3. If you're on the helicopter getting in one last trade before rappelling down into a foreign leader's compound, you might be distracted? You might be less good at your job? Making war and government policy idiosyncratically profitable might reduce people's intrinsic motivation to do a good job and leave them distracted by, like, constructing [multi-leg same-raid parlays](#).

Also, though: *Is it a simple insider trading case?* What did he insider trade? He was charged with a number of crimes, including "unlawful use of confidential government information for personal gain," which seems right. But he was also charged – criminally and by the CFTC – with *commodities fraud*, that is, insider trading in the commodities market. Why is "Maduro Out by January 31, 2026" a commodity?

Well. In the US, the CFTC regulates commodities futures exchanges. Historically commodity futures contracts were bets on the future prices of commodities like grain or oil. Over time, people invented new sorts of financial futures contracts that were bets on the future prices of Treasury bonds or stock indexes. Those had to be traded somewhere and regulated by someone, and they somewhat arbitrarily ended up trading on commodity futures exchanges and regulated by the CFTC. This got generalized even further. A new exchange called Kalshi started up, registered with the CFTC as a commodity futures exchange and started listing bets on all sorts of future things, not just traditional commodities or financial assets but "event contracts" like the winner of the 2028 US presidential election or the next James Bond or "Maduro Out by January 31, 2026."

And, [mostly](#), sports. Kalshi realized that, if a commodity futures exchange can list bets on any future event, then it can list bets on sports, and people like to bet on sports. So now the US has an odd two-track sports betting system, in which an economically identical sports bet can be listed both at online sportsbooks (regulated by state gambling agencies) and on prediction markets (regulated by the CFTC). We have [talked](#) about this [oddity](#) a [lot](#).

But this guy traded on Polymarket, not Kalshi. Kalshi is a commodity futures exchange registered with the CFTC; Polymarket is not. I mean, it has acquired a CFTC-regulated US exchange, and it has been "[preparing to launch its regulated US business since last summer](#)," but for now its business essentially exists on the blockchain and is not registered with the CFTC. In fact its main site is still technically off limits to US traders, though no one has ever [taken that seriously](#).

If you want to do some insider trading on top-secret military information, you might prefer Polymarket to Kalshi, as Van Dyke allegedly did. (He allegedly “used a virtual private network (‘VPN’) service and connected to Polymarket through an exit node, which geolocated to a foreign country.”) For one thing, the CFTC’s rules do not really allow [event contracts on war or assassination](#) , so Kalshi mostly does not list them; Polymarket does. Also, Polymarket has a [scruffier regulatory reputation](#) , and [there is a folk belief](#) that stuff that happens on “the blockchain” is immune to legal consequences.

If this guy had done insider trading on Kalshi, he would clearly have been insider trading *commodity futures*, and so he would clearly be in trouble. But Polymarket is not a commodities market registered with the CFTC, so why is it commodities fraud to do insider trading on Polymarket?

Well, you know, substance over form. If an event contract on Kalshi is a commodity futures contract, then any event contract is a commodity futures contract; if it’s illegal to insider trade a CFTC-registered event contract then it’s also illegal to insider trade an unregistered one. In legal terms, an event contract is a type of “swap,” and the notion of a “swap” is extremely broad. Here’s how the CFTC puts it in its complaint against Van Dyke :

The [Commodity Exchange] Act confers on the CFTC “exclusive jurisdiction” to regulate various categories of derivatives markets, including swaps. ...

Event contracts are a type of “swap” as defined by the Act. Section 1a(47)(A) of the Act broadly defines “swap” to include “any agreement, contract, or transaction” – ...

(ii) that provides for any purchase, sale, payment, or delivery . . . that is dependent on the occurrence, nonoccurrence, or the extent of the occurrence of an event or contingency associated with a potential financial, economic, or commercial consequence; ...

Event contracts are swaps because they are settled based on the occurrence or nonoccurrence of a specified future event with potential financial, economic, or commercial consequences, such as the occurrence of a weather event, the outcome of an election, the price of a market index, or prevailing interest rates.

So the CFTC can come after insider trading on Polymarket, and the Justice Department can prosecute that trading as commodities fraud.

But remember that “event contracts” means, *mostly*, sports bets. Does the CFTC have exclusive jurisdiction over sports bets? Not just sports bets on Kalshi (or Polymarket), but *all* sports bets, at an online sportsbook or a Las Vegas casino or your March Madness pool. They are all “swaps,” all the same type of event contract that the CFTC regulates.

And not *just* sports: Any bet at all, any promise of money “settled based on the occurrence or nonoccurrence of a specified future event,” is a swap regulated by the CFTC and subject to insider trading law. (Technically the event has to have “potential financial, economic, or commercial consequences,” but the bar for that seems to be extremely low , given the sorts of events contracts that actually get listed on prediction markets. Everything has *some* consequences.)

So if you use inside information to make *any* bet, commodities fraud. If you mislead anyone in connection with *any* bet, commodities fraud. Not legal advice! Probably not even true! But that is the weird apparent message of this prosecution. Everything, apparently, is commodities fraud.

Elsewhere: "Kalshi & Hollywood's Inside Edge." And: " [FanDuel](#) Is Playing Catch-Up on Prediction Markets.

Commerce.com take-under

Traditionally, when one public company acquires another public company, it pays a premium. If the target is trading at \$10 per share, the acquirer might offer \$12 per share in cash. Or, in an all-stock deal, if the target is trading at \$10 and the acquirer is trading at \$20, the acquirer might offer 0.6 shares of its own stock (worth \$12) for each share of the target.

This is not always true. Sometimes two companies will do an all-stock merger of equals in which neither side pays a premium. Occasionally you will [see a "take-under,"](#) where a troubled company's stock is trading at an inflated price due to misplaced shareholder optimism, and its board of directors decides that the only way to save the company is by selling to a deeper-pocketed acquirer at below the trading price. (Bear Stearns & Co. is a famous case.)

The lesson of take-unders is that sometimes the market price is wrong. Sometimes the target's stock trades at \$10, but really it should trade at \$2, so actually a merger at \$4 is a good deal for the target's shareholders. Sometimes the public market foolishly overvalues the target.

Can you apply that lesson in reverse? What if the *acquirer's* stock trades at \$20, but really it should trade at \$40? What if the market foolishly *undervalues* the acquirer? What if the acquirer is super great, but the market doesn't give it enough credit? When you think about it, maybe paying 0.3 acquirer shares – worth \$6 at current prices – for each target share is a good deal, because those 0.3 shares *should* be worth \$12, and when the market figures it out, they will be.

I am mostly joking, but there is some precedent. Way back in 2012, Facebook Inc., which was worth \$100 billion at the time, acquired Instagram for \$1 billion in stock. The Wall Street Journal reported that Instagram founder Kevin Systrom asked Facebook founder Mark Zuckerberg for \$2 billion, and Zuckerberg countered that, "if he believed Facebook would one day be worth as much as a company like Google at \$200 billion or more, then the equivalent of 1% of Facebook would be sufficient to meet his price." When you thought about it, \$1 billion of Facebook stock was really worth \$2 billion. This argument struck me as insane at the time, though in hindsight, fine, yes.

Commerce.com is a small publicly traded software company with an equity market capitalization of about \$250 million. Rezolve AI Plc is another publicly traded software company with an equity market capitalization of about \$1 billion. On April 8, Rezolve announced a hostile takeover bid for Commerce.com, proposing "an all-stock combination at a fixed exchange ratio of 2 shares of Commerce.com series 1 common stock for one ordinary Rezolve Ai share."

The day before this announcement, Rezolve's stock had closed at \$2.88 per share and Commerce.com's had closed at \$2.73 per share. The offer of 0.5 Rezolve shares per Commerce.com share was worth, at market prices, \$1.44 per share, or about a 47% *discount* to Commerce.com's market price. Unsurprisingly:

Commerce.com's board said no thank you, and

Commerce.com's stock didn't budge – it closed flat at \$2.73 on April 8, though it got up to \$3 by last Friday – because, presumably, shareholders were not that excited about a proposed takeover at \$1.44.

Why did Rezolve think this would work? Well, from its announcement:

Wall Street values Rezolve AI at \$11.00, nearly 4x the current trading price. By exchanging into Rezolve AI at a 2:1 ratio, Commerce.com shareholders are swapping a stagnant, illiquid asset for \$5.50 of implied value per share.

And from an investor call Rezolve held on April 15:

Commerce.com's reference to a 47% discount is based on a single day's closing price.

It ignores Rezolve AI's Wall Street analyst consensus target of \$11. The company's contracted 2026 revenue of 232 million, full year guidance of 360 million, representing 7.5 times year-on-year growth and the significantly higher trading multiple, a combined platform of this scale and trajectory would command. Valuing a transformational combination by a historic spot price obscures the opportunity from the very shareholders Commerce.com's Board claims to be protecting.

Rezolve's stock has not closed above \$2.82 per share since it announced its proposal, so "a single day's closing price" is not quite right, but Bloomberg does tell me that six sell-side analysts cover Rezolve with an average price target of \$10.75. None of them are Goldman Sachs or Morgan Stanley, but you can't have everything.

Anyway there has not been much news since April 15, and I'm not sure this will go anywhere, but I appreciate the chutzpah. Lots of companies want to use their stocks as acquisition currencies, and traditionally a stock trading at \$2.88 per share will buy about \$2.88 worth of acquisitions. Lots of companies think their stock *should* be worth more than their market price. I have never previously seen a public company argue that, because its \$2.88 stock *should* be worth \$11, it can be used to pay for \$11 worth of acquisitions, but I guess it's worth a shot.

Jain Global

A simple model of a hedge fund is that it is an investment fund: It raises money from investors, invests the money and earns a return on investment, which it gives to the investors, minus a fee of about 2% of assets and 20% of the returns.

I [have argued](#) that this is not a good model of the modern multi-manager multistrategy “pod shop” hedge funds, which tend to charge “pass-through fees” where they bill all of their costs – including in particular portfolio manager pay – to their investors. The investors do not get the fund’s investment returns minus 20%. The investors are not the residual claimants on the fund’s returns after fixed costs; the investors and the employees split the fund’s returns in whatever way the employees think is fair, constrained only by the fact that if the investors get too little then they will eventually stop investing. Investors in pod shops, then, are like [shareholders of investment banks](#).

There is an important difference between a hedge fund investor and a bank shareholder. The hedge fund investor owns a claim on the hedge fund’s pot of assets. If the pot of assets compounds at 20% per year (after expenses), the investor will earn 20% per year. But the bank shareholder – or the shareholder of any company – owns a claim on the *company*. If the bank manages to compound its assets at 20% per year (after expenses), that’s incredibly good, and the value of the bank’s stock will compound faster than that. The stock’s multiple will expand; the company will become more valuable. It will move into new businesses and make acquisitions and do other things that are accretive to the shareholders.

More generally, if you invest in a *company* that succeeds, you will share directly in its success. If you invest early and it succeeds wildly, you might get back 10 or 100 times your money. If you invest in a *pod shop* that succeeds, you’ll get steady uncorrelated returns. If you invest early, you’ll get those steady returns, same as anyone else.

Similarly with employees. If you are an early employee at a company, you’ll probably get paid peanuts but you’ll receive stock, and if the company succeeds wildly you’ll get rich. The going rate for early startup employees is “peanuts plus stock.” If you are an early employee at a *pod shop*, things are different; the going rate for hedge fund portfolio managers is, like, \$50 million in cash.

Bloomberg’s [Nishant Kumar and Liza Tetley report](#) :

Bobby Jain and Millennium Management have struck a deal that will see his eponymous hedge fund firm return all external cash and manage money exclusively for his former boss Izzy Englander’s hedge fund empire.

The proposed strategic partnership will give Millennium “exclusive access to the full investment capacity of Jain Global’s multistrategy business,” according to an internal memo seen by Bloomberg News. Jain will remain an independent business with its own investment processes, operating model and talent base, it said. ...

Multistrategy funds are already the most expensive in the industry because most of them transfer costs to investors via passthrough fees that are in addition to other charges. Spiraling costs to recruit and retain talent has further eaten into investors’ returns in recent years. Studies have shown clients only get about 40% of profits at established multistrategy funds, once costs are deducted.

Such setups are particularly brutal for new funds, as a partially deployed pool of capital must pay for the entire operation. As a result, Jain was immediately under pressure on performance.

The firm only managed to eke out a gain of 0.5% in 2024. While it made about \$750 million in trading profits the following year, investors only saw about a quarter of those gains after accounting for fees and expenses. That equated to just a 3.7% return in a year when peers were handing double digit-gains to clients.

At a tech startup, you don't make a lot of revenue early on, but (1) your investors are willing to wait for their big payday and (2) your costs are low because the employees are also willing to wait for a big payday. At a startup pod shop, the investors want their steady uncorrelated returns each month, and the portfolio managers want their huge cash paychecks immediately, and the runway is pretty short.

Fully AI hedge fund

Sure [whatever](#) :

Instacart co-founder Apoorva Mehta launched a hedge fund that relies on an army of artificial intelligence agents, one of the few using that technology to essentially replace fundamental portfolio managers.

Thousands of bots scour the internet for trade ideas, conduct in-depth research, pick stocks to wager on and against, size bets and even execute trades. The 39-year-old entrepreneur started the firm, Abundance, last year with a small crew of quantitative researchers, engineers and AI experts who build and sustain AI models.

While many hedge funds incorporate AI to support human traders, Palo Alto, California-based Abundance ultimately aims to have artificial intelligence run the entire fund. The firm already already has stock-picking strategies run solely by AI, but some strategies in the works will have a degree of human involvement for now, Mehta said in an interview.

At various scales other financial firms automate a lot of stock investing. Here's a Wall Street Journal article from last week about XTX, noting that "None of XTX's employees are traders in the conventional sense, deciding what assets to buy to sell. Instead, they oversee an army of algorithms that rely on 'deep learning' models that predict price moves that can be milliseconds, minutes or hours away." I was joking [a decade ago](#) that Bridgewater's computer did all of its investing. The essential idea of modern deep learning is "if you chuck a lot of data into a big neural network it will figure stuff out"; in 2026 the stuff it figures out tends to be natural language writing, or computer coding, or [porn](#) , but *obviously for decades* people have been [applying that idea to predicting stock prices](#) .

I guess the points I would make here are:

"Thousands of bots scour the internet for trade ideas" and "conduct in-depth research"? Why the *internet*? I have [written](#) before about [two models](#) of AI in investing. One is that you build a neural net that ingests financial data and predicts future asset prices, and then buys the stuff that will go up. The other is that you subscribe to ChatGPT and ask it what stocks to buy, and buy those. One is trained on financial data; the other is trained on human language. The first is what a quantitative finance researcher would build from first

principles; the second is what you would build with a ChatGPT subscription. "The second approach," I [once wrote](#), seems "sort of insane and wasteful and indirect? Yet also funny and charming? It is an approach to solving the problem by first solving a much harder and more general problem," not using financial data to predict stock prices but rather building general human superintelligence (or using somebody else's general human superintelligence) and applying it to stocks.

I will be impressed when a hedge fund uses AI agents to *raise money from investors* without human involvement. Trading the stocks is the easy part!

Things happen

Bill Ackman's [Pershing Square IPO](#) Expected to Raise \$5 Billion. [Hedge Fund Collapse](#) Sparks Global Hunt for Almost \$600 Million. Goldman, JPMorgan Show Wall Street's Split in [Quantum Computing Race](#). Musk and Altman [Head to Trial](#) in Feud Over Future of OpenAI. OpenAI [Breaks Free](#) From Exclusive AI Pact With Partner Microsoft. China Blocks Meta's \$2 Billion Acquisition of AI Firm [Manus](#). Two Big Loan Defaults Add to Pain in Private-Credit Funds. Greg Coffey's Hedge Fund Moves to [Lock In Client Cash](#) for Longer. Budget Airlines Pitch Trump Administration on \$2.5 Billion Relief Plan. The incredible double life of a spyware salesman turned spy. [Air Taxis](#) to Fly Between JFK Airport and Manhattan for 10 Days. Iran war hits pistachio supplies amid Dubai chocolate boom. [Pokémon's](#) Multibillion-Dollar Card Boom Sparks a Crime Wave. U.S. Mint Buys Drug Cartel Gold and Sells It as 'American.' Scientists Gave Cocaine to Salmon and You Will Absolutely Believe What Happened Next.

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1. The technical term is "designated contract market" or DCM.

2. Its current terms of service say: "USE OF THE SITE, PLATFORM OR TECHNOLOGY FEATURES FOR TRADING IS NOT PERMITTED BY PERSONS OR ENTITIES WHO RESIDE IN, ARE LOCATED IN, ARE INCORPORATED IN, HAVE A REGISTERED OFFICE IN, OR HAVE THEIR PRINCIPAL PLACE OF BUSINESS IN THE UNITED STATES OF AMERICA," and its documentation lists the US as a blocked country. "Polymarket's U.S. app is now being rolled out to those on the waitlist," though.

3. The rules for [commodity insider trading](#) are [interestingly different](#) from the rules for *stock* insider trading: An oil company is, for instance, allowed to trade oil futures using its own secret information about its own oil drilling, but it is not allowed to trade its own *stock* using that information. Still, the main sort of insider trading – you get inside information in your job, you have a duty to keep it secret, and you trade on it – is illegal in both stock and commodities markets.

4. Some of the ellipses here are mine. Here's the relevant section of the CEA. Note that subsection (47)(B) includes a list of important exclusions, like contracts for physical deliveries of goods, bonds, etc.

5. Though the CFTC complaint here emphasizes: "The December and January Contracts are swaps because they are agreements, contracts, or transactions providing for a purchase, sale, payment, or delivery dependent on the occurrence or nonoccurrence of an event or contingency, i.e., Maduro's removal from power, associated with a potential financial, economic, or commercial consequence. The potential financial, economic, or commercial consequences of Maduro's removal from power were substantial, including but not limited to potential impacts on the global prices of crude oil, Venezuelan government bonds, and the Venezuelan bolívar."

6. I should add that Rezolve's other arguments – that Commerce.com's management has destroyed value and will keep doing so, and that its stock is illiquid so shareholders can't really get out at the \$3 market price – are more traditional arguments for a take-under. If Commerce.com's \$3 stock is "really" worth \$1, then \$1.44 is a good deal. But that's mostly not what Rezolve is saying.

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Securities

Insider Trading Cases Threaten Reckoning for Prediction Markets

April 25, 2026, 9:50 AM PDT

Prediction markets have quickly grown from a niche corner of finance to a multibillion-dollar industry with big Wall Street investment, but a growing list of insider trading allegations is bringing concerns about the platforms all the way to the White House.

The most significant development came on Thursday afternoon, when prosecutors announced charges against Gannon Ken Van Dyke, a US soldier who allegedly took advantage of classified intelligence to win more than \$400,000 betting on the capture of Nicolás Maduro in Venezuela.



Nicolas Maduro arrives at the Wall Street heliport ahead of his appearance in federal court in New York in January.

Photographer: Michael Nagle/Bloomberg

The indictment came not long after French authorities said that they were probing whether someone had tampered with a weather station that was used to settle prediction market bets on the temperature in Paris. Those bets, and the Venezuela trades both happened on Polymarket, the largest international prediction market. Earlier in the week, Polymarket's main rival, Kalshi Inc., said that it suspended and fined three congressional candidates for betting on their own races.

President Donald Trump told reporters in the Oval Office, right after Van Dyke's criminal charges were announced, that he didn't like prediction markets "conceptually" and was "not happy" with them, calling the world "somewhat of a casino."



US President Donald Trump speaks in the Oval Office in Washington on April 23.

Photographer: Will Oliver/EPA/Bloomberg

The comments marked a shift for an administration that had largely taken a supportive approach to the nascent industry. As recently as a few weeks ago, Trump spoke glowingly about the exchanges and their forecasts of his 2024 election win, saying that they were more reliable than "fake polls." His son Donald Trump Jr. advises both Polymarket and Kalshi, while the president's media company has announced plans to enter the industry.

Trump's willingness to voice skepticism of the industry is the most visible sign of a fresh reckoning with the legal problems presented by prediction markets, which have exploded in popularity over the last year by making it possible to bet on almost anything, from movie awards ceremonies to geopolitical events. Democrats in Congress — and state lawmakers — have recently proposed several pieces of legislation aimed at cracking down on the industry.

"There's a huge amount of attention right now that somebody has to do something," said Andrew Verstein, a law professor at UCLA who testified on the issue last week at a congressional hearing on fraud and exploitation in capital markets. "Polymarket saw that this story was not going to go away, and the DOJ saw that this story was worth doing and was not going to go away."

Prediction market companies have emphasized they are cooperating with authorities in their efforts to root out wrongdoing.

After the soldier's arrest, Polymarket's founder, Shayne Coplan, said on social media that his company had gone to the Department of Justice immediately after spotting Van Dyke's suspicious trades. The indictment says that Van Dyke asked Polymarket to delete his account after taking out his profits.

"Noise aside, the reality is we work proactively with all relevant authorities on any suspicious activity on our marketplace," Coplan said. "This happens constantly behind the scenes, despite what many are led to believe."

When asked for comment on Friday, a Polymarket spokesperson pointed to Coplan's post.

A few weeks before the indictment, Polymarket updated its rules to prohibit trading on the exchange based on stolen confidential information and illegal tips, or wagers by those in a position to influence outcomes. But Coplan has faced criticism because he has suggested, in the past, that people trading based on private information on prediction markets could be socially useful in helping to surface information to the public more quickly.



Shayne Coplan

Photographer: Kent Nishimura/Bloomberg

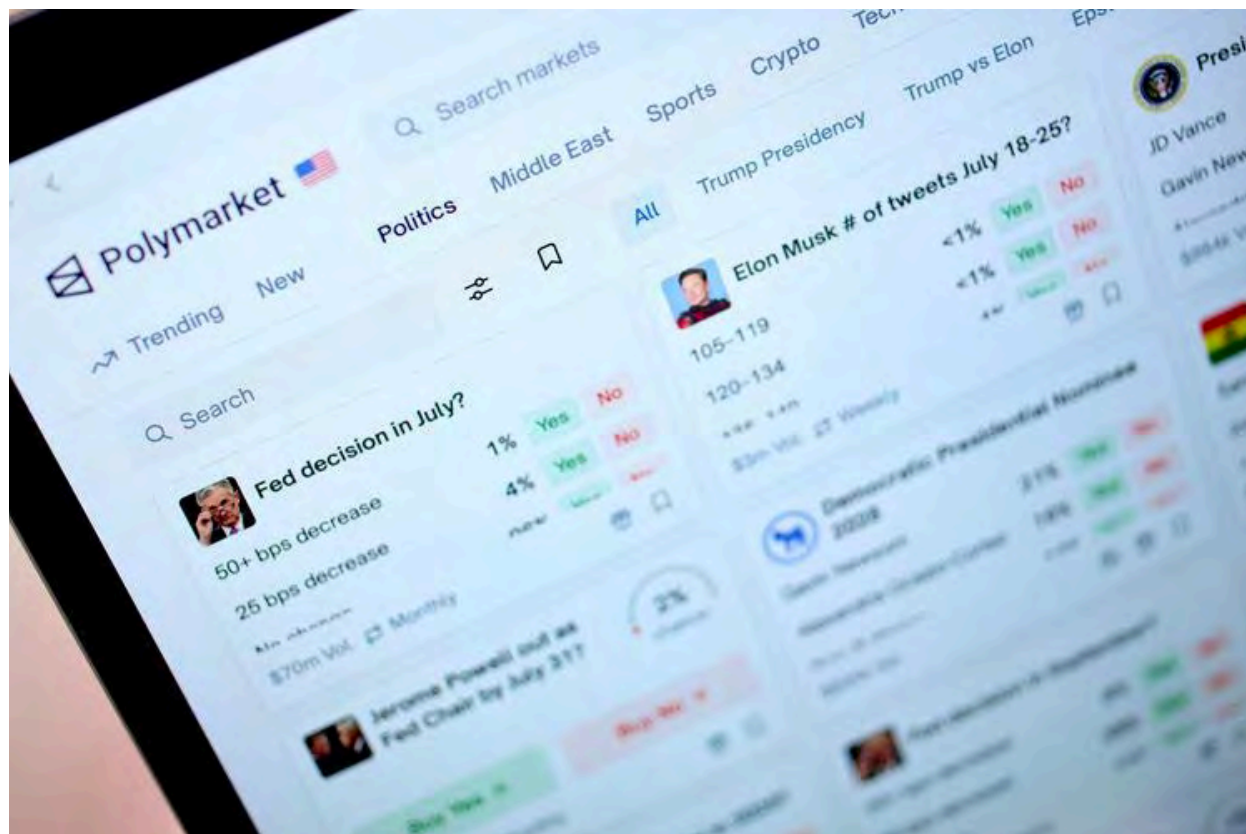
"What's cool about Polymarket is that it creates this financial incentive for people to go and divulge the information to the market and the market to change," Coplan said in a public event with Axios last fall.

Polymarket has come under particular scrutiny, in part because of Coplan's previous comments, and in part because its main business operates offshore, outside the oversight of US regulators. In 2022, the firm settled with the Commodity Futures Trading Commission over allegations that it illegally operated an unregistered derivatives exchange. It agreed to pay a \$1.4 million penalty and to stop accepting business from traders in the US.

By 2024, the CFTC and Justice Department attorneys were investigating whether the firm violated that agreement and allowed US customers to place trades, probes that were dropped last year after Trump took office.

The new indictment says that Van Dyke was able to access Polymarket in the US by using a virtual private network that made it look as though he was logging in from a foreign country.

Polymarket operates on a blockchain-based platform that allows customers to register without the identity checks required on US financial exchanges. The company has said that its blockchain records make it easier for investigators to track down wrongdoing. But the growing list of suspicious trades — many of them placed right before big market-moving announcements from Trump — has put significant pressure on both the company and on the Trump administration to do more.



Polymarket operates on a blockchain-based platform that allows customers to register without the identity checks required on US financial exchanges.

Photographer: Gabby Jones/Bloomberg

"The amount of insider trading that's been obviously and publicly occurring in connection with these event markets has been a black eye for this administration and their claims that they are actually policing anything," said Joe Konizeski, a former chief trial attorney at the CFTC.

No evidence has emerged that White House staff have profited off insider trading. But officials recently sent a staff-wide email warning employees against using confidential information to place trades.

"All federal employees are subject to government ethics guidelines that prohibit the use of nonpublic information for financial benefit," Davis Ingle, a White House spokesman, said in a statement on Thursday. "However, any implication that administration officials are engaged in such activity without evidence is baseless and irresponsible reporting. The CFTC will always uphold its duty to monitor fraud, manipulation, and illicit activity daily."

Polymarket's main rival, Kalshi, does come under CFTC oversight and it has looked to differentiate itself by publicly announcing that it has suspended traders who have broken the platform's rules against trading on non-public information.



MrBeast

Photographer: Roy Rochlin/Getty Images

One of the political candidates it suspended this week had bet on his own candidacy on Kalshi right before announcing his campaign. Earlier this year, Kalshi suspended another political candidate, as well as an employee of the popular YouTube streamer MrBeast, who allegedly made trades tied to what would happen on MrBeast videos.

Read More: 'Death Markets' and Attack Ads: Prediction Rivalry Turns Nasty

Industry supporters argue recent events show prediction markets growing into a regulated business, with the kind of enforcement and self-policing that mark the maturation of any new financial instrument. The CFTC also appears to be stepping up its oversight.

When the Maduro trades on Polymarket first received attention back in January, a CFTC spokesperson said the agency had "limited jurisdiction" over the trades because they were made on an offshore platform. Under Chairman Michael Selig, the agency has been broadly deferential to the platforms and supported them in their legal battles with states.

But on Thursday, the CFTC filed its own civil case against Van Dyke — the first insider trading case the agency has brought in connection with prediction markets. The complaint said that while Polymarket's international exchange is legally domiciled in Panama, activity on the exchange came under the CFTC's jurisdiction because the company's headquarters and many of its employees are in New York.

"I have been crystal clear that anyone who engages in fraud, manipulation, or insider trading in any of our markets will face the full force of the law," Selig said after the case was filed.

Legal experts say that even if there are many unanswered questions about how the platforms will be governed, the Van Dyke indictment makes it clear that the authorities are taking the problem seriously, and likely to bring more cases.

"I can't imagine how many people insider trading on these markets are panicking this morning," Jeff Le Riche, a partner at Husch Blackwell and a former attorney at the CFTC, said on Friday. "There's a really detailed tracking of everything that happened, that, to me, provides a very clear playbook for future prosecutions."

--With assistance from **Emily Nicolle**, Lydia Beyoud and Megan Howard.

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Securities

Hedge Fund Collapse Sparks Global Hunt for Almost \$600 Million

April 24, 2026, 4:00 AM PDT

David Choi's hedge fund seemed too good to pass up, with Mars FX US LP posting annual gains that averaged 19% and zero monthly losses. In the end, it was too good to be true.

Choi's fund is now bankrupt, almost \$600 million has gone missing, and a global hunt is underway for the money and whom to blame. A criminal fraud inquiry has been opened in the US, and lawsuits are pending in at least three nations, with some alleging forgery and money laundering. The blue-chip auditing firm of Deloitte is being sued after signing off on the fund's financial statements before its collapse in 2025.

It's the latest example of investors getting burned in an era when the hedge fund industry and policymakers are pushing for far fewer rules and disclosures. Just this week, US regulators proposed eliminating filing requirements for smaller funds and narrowing disclosures for bigger ones. At the same time, sharp cutbacks in enforcement staff at federal watchdogs could dim prospects for recovering losses.

"Nobody understood the product, to be honest," said Jens Blomeyer, 51, an investor and entrepreneur in Germany who invested \$125,000. "We saw the returns, and we got blinded and greedy."

US prosecutors in Manhattan, the Federal Bureau of Investigation and a grand jury have sought information about Mars FX, its sponsor Novus Capital Partners and the circumstances surrounding the fund's collapse, according to documents reviewed by Bloomberg. The matter also was referred to the Securities and Exchange Commission, the Commodity Futures Trading Commission and civil regulators in the UK and the British Virgin Islands, Novus told investors in emails.

Novus says it's trying to recover the missing money, casting blame on a tech company Novus says it employed. The tech company in turn claims its platform had stopped operating back in 2022 and never agreed to work with Mars FX.



Ashish “Hash” Patel, one of Novus’s principals, driving during the Fanatec GT World Challenge at Autodromo Nazionale in Monza, Italy with the Mars FX and Novus logos.

Photographer: Riccardo Righetti/Alamy

More than 500 investors were listed as creditors in a March 24 bankruptcy filing by Los Angeles-based Mars FX. Founded in 2020, it attracted money from across the US, Europe and Asia, including family trusts, retirement accounts and even some private equity professionals. They were drawn to the promise of steady returns from a complex combination of long and short positions in currency pairs, as well as gold.

By February 2024, Novus had raised \$331 million for Mars FX US LP, according to an SEC filing. Their money was invested in Mars FX or a related international fund by Novus, a firm controlled by Choi, Ashish Patel, Patrick Hofmann and Choi’s brother Jae, each with a 25% stake, court records show. Clients came through Choi, friends or registered investment advisers, according to more than two dozen investors who spoke with Bloomberg News.

Federal prosecutors, the FBI, US regulators and the UK’s the Financial Conduct Authority all declined to comment. BVI officials and Deloitte didn’t respond to messages. Authorities haven’t formally accused anyone of crimes, investigations don’t always lead to charges and none of the parties has admitted to wrongdoing.

Bloomberg reached out to the four Novus principals. In an emailed statement provided by David Choi, Novus said it's "working to secure the return of investor funds from the counterparties holding them since the fall of 2024." It's cooperating with criminal and civil authorities in the US and overseas, filed suit on behalf of investors and hired advisers specializing in recovery efforts, the firm said. "Novus's principals are investors in the Mars Funds and have suffered significant losses due to the wrongdoing" by its technology partner.



Jens Blomeyer, an investor and entrepreneur in Germany who invested \$125,000.

Source: Jens Blomeyer

Mars Offering

The Mars managers had solid credentials. Choi, a Wharton graduate, worked at Donaldson, Lufkin & Jenrette, as well as TPG Capital, according to his biography. He also helped start Principia Capital, an equity futures manager, before starting Novus Capital Partners with three others.

Patel worked at Merrill Lynch in Australia before co-founding Indus Coal Ltd., a public company, his biography said. In 2017, he co-developed the Mars FX trading system.

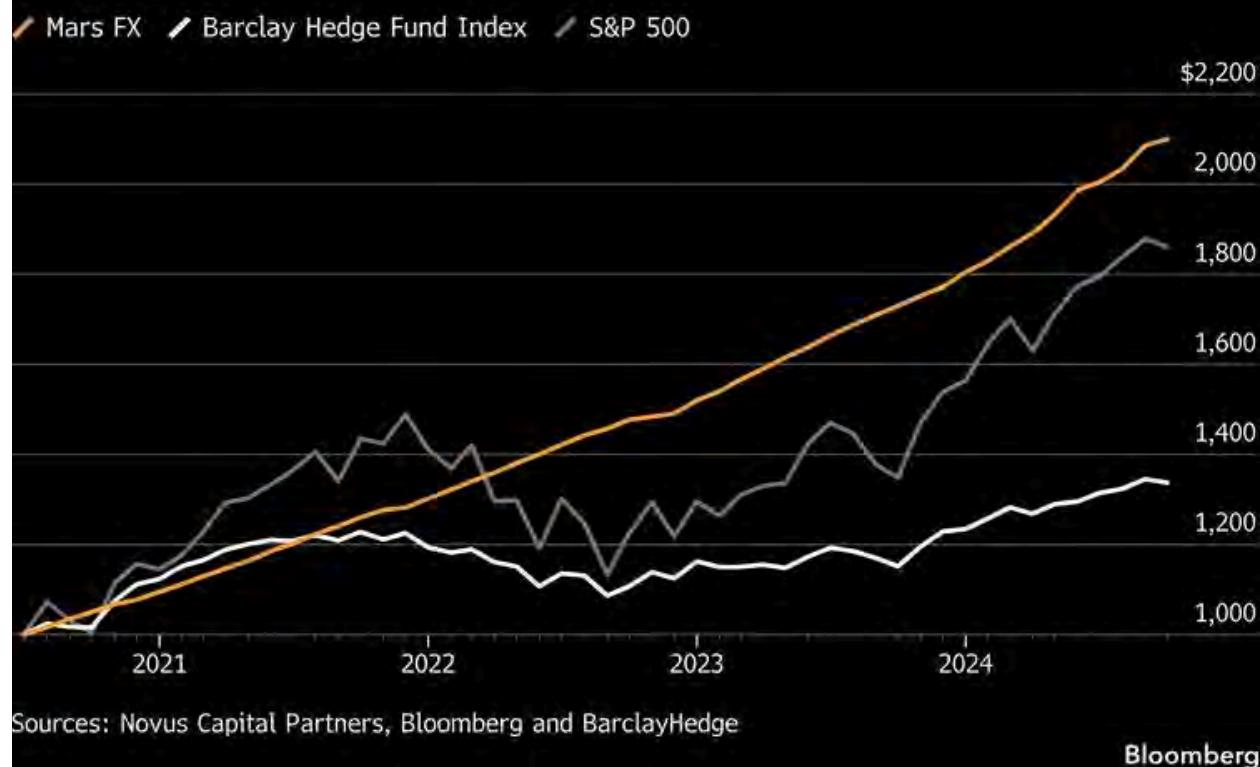
Novus told investors their money would go to a Mars master fund and placed with a technology partner regulated in the BVI, according to an April 2022 private placement memorandum. That partner would route and consolidate trades, and Novus would use regulated brokers outside the US, the memo said. But the identities of the partner and brokers were “proprietary and sensitive,” and weren’t disclosed.

The document did name the auditor, Deloitte, which said in annual audits between 2020 and 2023 that Mars presented its financial statements fairly. Deloitte issued “clean opinions without independent verification of the assets held by” the technology partner, according to a Delaware investor lawsuit. The suit was filed in March by an investor identified as Cohen New York Inc. Deloitte hasn’t responded in court to the lawsuit or to multiple requests for comment from Bloomberg.

The Deloitte name gave some investors comfort, and so did the track record in fund documents of zero monthly declines for four years – an unusual feat that could have served as a warning, given how hard it is for managers to sustain unbroken gains over a long period. Before the fund imploded, some investors received regular distributions, they said in interviews.

Mars FX Touted Market Beating Returns

Novus said in a 2024 investor pitch that a \$1,000 investment with Mars FX beat the S&P 500 with 19% annualized returns



By 2024, the Mars principals themselves had taken \$22 million in fees, according to the Cohen lawsuit. Along the way, Novus and Mars sponsored an auto racing team, which entered races around the world that feature 500-horsepower cars. Patel, using the name “Hash,” raced with a professional driver. The team’s website said they drove a Porsche 911 GT3, and it showed a car emblazoned with Novus logos on the hood and side door. In 2024, the team won the ProAm division of the International GT Open in Barcelona. It’s unclear whether Novus and Mars used investor money to sponsor car racing.

Behind the scenes, cracks were emerging between Novus and the tech partner, Tech RealFX Ltd., or TRFX, a BVI company founded almost a decade ago. Millions of dollars flowed from investors to Mars and an offshore feeder fund, through bank accounts in the US and Hong Kong, and on to TRFX, bankruptcy court records show.

But court records in the BVI offer conflicting accounts about what TRFX did for Mars, and whether Novus could have known something was amiss. For its part, TRFX says in court papers it didn’t do anything wrong, and argues that Novus and Mars were at fault.

Back in 2023 -- while TRFX was handling money for Mars -- a separate firm tied to Patel was managing money on behalf of other investors and also using TRFX, according to court records. The firm, Spread Research & Trading, listed Patel’s wife as the majority owner. When Spread tried to pull its \$91 million investment plus trading profits from the TRFX platform in late 2023, TRFX denied the request. A Spread official was told that TRFX was reducing redemptions because of “major challenges in the global operating environment.” Spread sued TRFX in mid-2025 to get its money back, claiming breach of fiduciary duty and unjust enrichment. That case is still pending in the UK, and TRFX hasn’t responded to the suit’s specifics.

Still, Novus pushed ahead with fundraising in 2024.

Liquidity Dries Up

The previous offering documents in 2022 – the ones that didn’t name TRFX and its two brokers based in the UK and Australia – had said Novus’s tech partner was regulated by the Financial Services Commission in the BVI. The new 2024 batch of offering documents still didn’t name TRFX, but they showed, according to the Cohen lawsuit, that the tech partner was “neither a licensed broker nor a regulated custodian.”

Deloitte’s audit of 2023 results nevertheless noted no significant changes, the lawsuit said.

By November 2024, for reasons that aren’t clear, Novus asked TRFX to redeem its investor money and purported trading profits. TRFX refused, according to Novus’s lawsuit in the BVI. Novus soon warned investors the following month that it “misjudged the fund liquidity” and couldn’t recall funds to meet its obligations.

Weeks later, investors received shocking news. Novus said it would be “taking steps to wind down funds,” according to a January 2025 email. A Hong Kong money laundering investigation had “created unforeseen challenges” that prevented transfer of the funds according to its tech partner, Novus said. The email didn’t elaborate on the nature or target of the probe, but said its tech partner was working with authorities to resolve the matter.

Novus assured investors it would try to recover their money. To show “confidence in the integrity of the fund’s assets,” the four Novus principals and their families agreed to recoup their investment after all other investors.

In a February 2025 email to Mars investors, Novus said it had notified the SEC and the CFTC of the situation. Investors didn’t learn until another email in March 2025 that the tech partner was TRFX. In June 2025, Mars filed a claim against TRFX in a BVI court, saying TRFX owes Mars \$598 million – the \$277 million invested and the profit made through trading.

Unauthorized Party

TRFX responded in court papers that Novus dealt with someone who didn’t have any authority to enter into agreements on behalf of the firm – and that he had forged correspondence and broker statements. What’s more, TRFX said its platform had stopped operating in October 2022, that it didn’t have a license to perform the purported tasks and Mars could have easily found this out. The Mars claimants “are not entitled to anything from TRFX,” it said. Tan Jit Chun, identified in court papers as TRFX’s leader, declined to comment to Bloomberg.

Investors say they’ve struggled for 15 months to get clear answers from Novus.

Some told Bloomberg they did get cash from distributions and redemptions before everything fell apart. But the Cohen lawsuit contends that those weren’t based on real profits, because TRFX said “all trading activity on the platform ceased in October 2022. In turn, that means the gains and balances reported for at least the final quarter of this fiscal year, and the \$248 million year-end balance, may have been wholly or partly fictitious.”

Brian Powers, a Mars FX bankruptcy attorney, said the stakes are high. “There’s a lot of money on the line and a lot of investors out there,” he told a bankruptcy judge at a New York hearing last month. “They are quite upset about the money somehow disappearing. These are people of means, so the potential for litigation is extremely high here.”

In the hunt for the missing cash, liquidators were appointed in the Cayman Islands, where two of the Mars funds are based. They’re seeking books and records, tracing assets and working with lawyers in the US, BVI, Cayman Islands and Hong Kong, according to a March 24 bankruptcy court filing by Luke Furler, the chief restructuring officer for Mars FX US and one of the liquidators of two related funds.

Without access to better records, Furler wrote, he “cannot state precisely what cash, if any, is immediately available.” Liquidators are also investigating potential breach of contract claims against Deloitte over the 2022 and 2023 audits, Furler wrote. A response by Deloitte to Cohen’s lawsuit is due next month.



CarolAnn Tutera

Photographer: Augusto Herrera/Mindway Graphics

The Cohen lawsuit — which seeks class-action status — claims Deloitte aided and abetted a breach of fiduciary duty by Novus and its principals. Deloitte failed to identify, or ignored, “multiple fraud risk factors” before delivering several clean audits, according to the lawsuit.

Investors interviewed by Bloomberg doubt they’ll see their money again.

“They were paying for a while and all of a sudden, it stops,” said CarolAnn Tutera, a small business owner in Scottsdale, Arizona, who heard of Mars from a relative. “I never thought they would claim bankruptcy. That was a shocker to me.”

Tutera, 70, who was swindled in the GPB Capital fraud several years ago, has now sworn off hedge funds and private equity. “I’m really fed up with finance guys on Wall Street,” she said.

--With assistance from Patricia Hurtado, Jonathan Browning and Nicola M White.

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California Brief

Sergey Brin Sparked a Political War to Influence California (1)

April 27, 2026, 4:34 AM PDT

In a treehouse nestled in redwoods north of San Francisco, California Governor Gavin Newsom stood cold and hungry as Sergey Brin, the world's fourth-richest man, and his wellness-influencer girlfriend told him they were leaving the state.

It was late in the evening at a Christmas party hosted by crypto titan Chris Larsen — featuring singer Janelle Monáe and a towering abominable snowman with glowing red eyes — when Brin and his partner, Gerelyn Gilbert-Soto, confronted Newsom about a new proposal to tax billionaires in California, according to people who've spoken with the governor. Such a levy could hit Brin's stake in Alphabet Inc. and his \$272.6 billion fortune.

Newsom, who opposes the wealth tax, was still telling people about the lengthy exchange at the party months later, complaining of a lingering cold the pair had given him, according to the people, who asked not to be named discussing private conversations with the governor.



Sergey Brin and Gerelyn Gilbert-Soto

Photographer: Neilson Barnard/Getty Images

Brin, meanwhile, followed through. He left the state, bought a lakeside mansion in Nevada, and started bankrolling a billionaire political uprising in California.

Newsom through a spokesperson declined to comment on the interaction. “The governor has been very clear with everyone, no matter who they are, that this effort will do serious damage to the state, including for public safety workers and schools, at the expense of one special interest group,” Izzy Gardon, a spokesperson, said.

A representative for Brin didn’t respond to requests for comment.

Brin’s political push reflects a broader awakening among California’s ultrawealthy. Over the past six months, the proposed billionaire tax and a heated governor’s race have drawn tech titans and business leaders more directly into the state’s affairs — a space many of them have traditionally kept at arm’s length.

They will likely have to spend even more ahead: The healthcare union backing the wealth tax says it has gathered enough signatures to qualify it for a November vote.

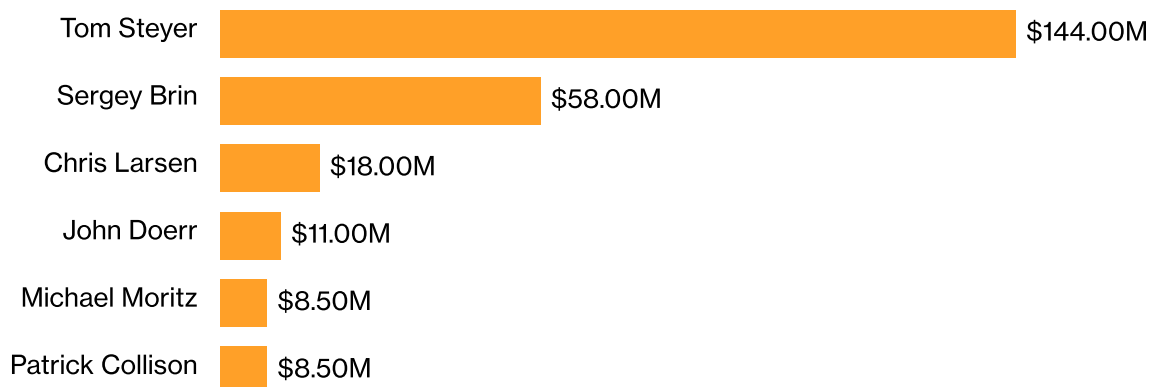
Prior to this year, Brin's last contribution in a California election cycle was 2010 when Arnold Schwarzenegger was governor and the Google co-founder largely backed climate causes. He's now spent more than \$58 million in the last four months, including an extra \$9 million disclosed late Friday, but more importantly has helped mobilize a network of fellow tech titans in a push to sway state issues.

"The wealth tax was a wake up call, it was a fire that just lit up Silicon Valley literally in a matter of weeks," said **Steven Maviglio**, a veteran Democratic strategist. "I've never seen anything like it."

Altogether, ultrawealthy donors have injected more than \$270 million into California's political scene in this election cycle. Outside of the wealth tax, billionaire Tom Steyer is emerging as a top Democratic candidate for governor after the downfall of former Representative Eric Swalwell following allegations of sexual assault. Steyer, a former hedge fund manager, has spent more than \$140 million in his election bid, crowding TV airwaves with ads and labeling himself a "class traitor" with a campaign modeled after Vermont Senator Bernie Sanders.

Billionaires Spend Big In California Election Cycle

Political spending across California elections from wealthy individuals



Note: Dollar figures are an estimate of donations disclosed across the California governor's race, the main committees opposing the wealth tax and other efforts. Figures from Larsen include a \$5 million contribution from his company Ripple.

Source: Spending records filed with the California Secretary of State.

Bloomberg

Ballots for the June 2 primary election start going out next week. Brin and a cohort of the ultrawealthy including Coinbase CEO **Brian Armstrong** and venture capitalists **Vinod Khosla** and John Doerr have plowed millions into supporting **Matt Mahan**, a Silicon Valley mayor, with a back-to-basics agenda and a penchant for taking on the state's Democratic establishment.

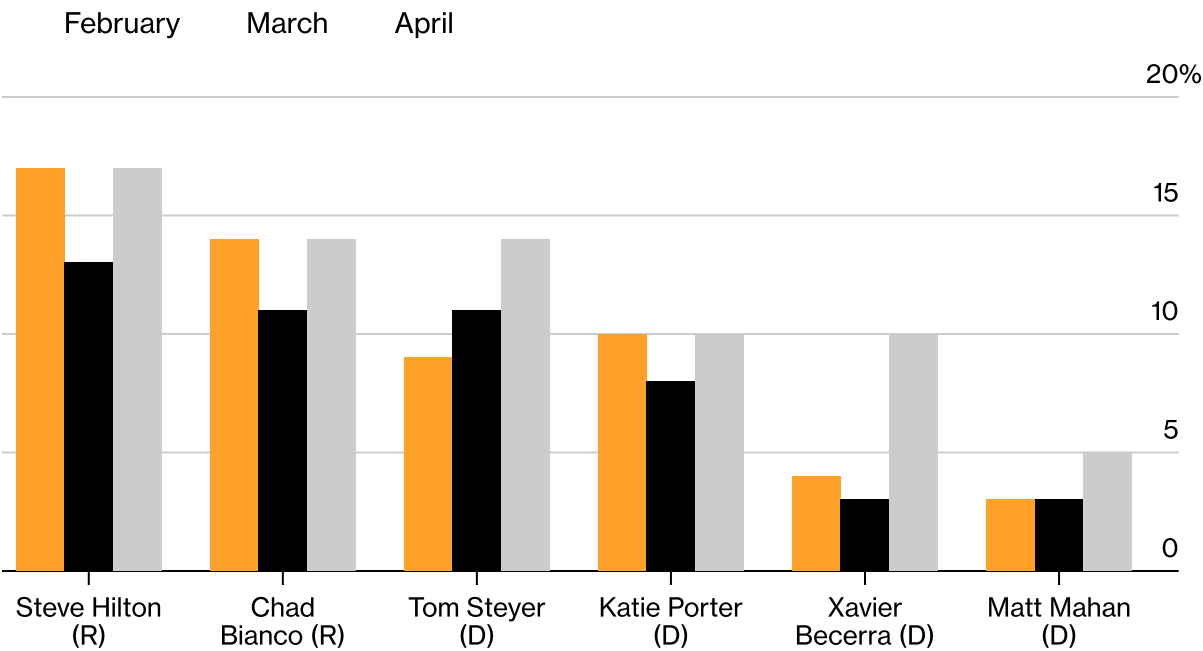
Read more: Billionaires Push Pick for Governor After Swalwell Scandal

That money has helped Mahan buy airtime and attracted controversy, but his polling numbers remain stuck in the single digits while Steyer’s well-funded progressive campaign is gaining favor with voters. Brin has also backed Republican Steve Hilton, who’s currently leading polls.

“You have two polar opposites going on. You have a billionaire running who has actually fully adopted an agenda that the vast majority of voters agree with: Taxing billionaires, funding healthcare, fighting back against ICE,” said Lorena Gonzalez, head of the state’s largest union group, the California Federation of Labor Unions. “And then you have billionaires pushing a candidate whose talking points are apologetic to the tech industry.”

Republican Hilton Leads California Race

Election tracking for the June 2026 California gubernatorial primary



Source: Emerson College Polling/Inside California Politics survey

Bloomberg

The billionaire political activism in California mirrors larger shifts in Silicon Valley and the nation. President Donald Trump has given tech billionaires broad access to the White House, inviting Brin and other industry captains over for dinner and to join advisory boards.

In California, Brin’s newfound political action was catalyzed by the wealth tax proposal, which would levy a one-time 5% tax on billionaires to help offset federal healthcare cuts. In a Signal group chat earlier this year with other Silicon Valley elite, Brin floated the idea of raising hundreds of millions of dollars to influence California politics, according to a person who saw the message.

Brin left California for Nevada ahead of a Jan. 1 residency deadline for the proposed wealth tax. He moved to a \$42 million mansion on the Nevada side of Lake Tahoe, featuring two glass-walled funiculars.

Shortly after leaving California, Brin contributed \$20 million to a new group dedicated to fighting the tax while also pushing pro-business and housing affordability policies, Building a Better California, making him the single largest contributor. He gave it another \$37 million over the spring, as the group quickly started supporting a trio of anti-wealth tax measures that could nullify a billionaire tax if it gets passed in an election.

Building a Better California “remains fixed on long-term reforms supported by most Californians: housing affordability, stable funding for education, infrastructure investments, and government accountability,” a spokesperson said.

Joining Brin in the effort were other billionaires, including former Google CEO Eric Schmidt, Stripe CEO **Patrick Collison** and venture capitalist **Michael Moritz**. **Peter Thiel**, who also left California ahead of the New Year’s Day deadline, gave \$3 million to a separate committee opposing the wealth tax.

“They don’t trust California anymore,” said David Lesperance, a tax attorney who specializes in relocations and has helped move five families out of the state because of the wealth tax threat.



Peter Thiel

Photographer: Eva Marie Uzcategui/Bloomberg

Brin and his fellow billionaires helped push up the costs to gather the more than 870,000 signatures required to qualify a ballot measure. This forced the union behind the wealth tax, SEIU-UHW, to spend more on their efforts. Now, the union says it has succeeded in getting the signatures it needed.

Read more: In California's Wealth-Tax Fight, You Can Make \$30,000 Collecting Signatures

"A very small group of the most controversial billionaires on the planet tried to stop Californians from being able to save their local emergency rooms and hospitals — but our current signature tally proves frontline healthcare workers will prevail in bringing this commonsense proposal to voters," said Suzanne Jimenez, SEIU-UHW's chief of staff. "When our growing coalition files these signatures, David will have won the first round against Goliath."

Other billionaires have bankrolled their own political initiatives, including Larsen, who set up his own network of influence groups with names like Grow California and Golden State Promise.

Read more: Billionaire Fights San Francisco's 'Stupid' Tax on High CEO Pay

Many in Sacramento are skeptical that Brin and his fellow ultra-rich will succeed in swaying California state politics. They point to the failed candidacy of former eBay executive Meg Whitman, who spent around \$144 million of her own fortune to become governor, or even venture capitalist Tim Draper's longshot initiative to split California into six separate states.

"They're trying to extrapolate from their own industry, which might have been fabulously successful, that they know something about political advertising, when they don't," said Garry South, a veteran Democratic strategist. "They think, 'Hey, I've got money I can throw it around,' and they don't really do their homework."



Attendees cheer during the campaign kickoff for the California Billionaire Tax Act in Los Angeles.

Photographer: Patrick T. Fallon/AFP/Getty Images

Political consultants describe their frustration with some wealthy tech donors, who often view their political giving through an investment lens, promising big checks and not following through if they don't see momentum. That's led to questions about whether the California billionaire activism would continue if Mahan's governor bid fails and the wealth tax passes.

Even Larsen, who's worth around \$13 billion, has expressed anxiety that not enough business leaders are stepping into politics. "It's a lot of talk, and they're happy, but we don't see the firepower we need to take on the SEIUs," he said, referring to the state's largest union.

Newsom, for his part, acknowledges that many of the state's wealthiest residents are willing to donate significant sums of money, but want to do it on their own terms and not through a tax.

"Some will never give a penny away," he said at a Bloomberg News event in January, not long after his encounter with Brin in the treehouse. "Some I respect. Some I don't."

(Updates with comments from healthcare union starting in eighth paragraph.)

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Law360 Pulse Spotlight On Mid-Law Work

By **Emma Cueto**

Law360 (April 24, 2026, 4:31 PM EDT) -- Shutts & Bowen's work on a data center company's stock offering and Robbins Geller's lead counsel spot in an investor class action lead this edition of Law360 Pulse's Spotlight On Mid-Law Work, recapping the top matters for Mid-Law firms from April 10 to 24.

A Data Center Offering

Florida's Shutts & Bowen LLP advised data center and infrastructure company Duos Technologies Group Inc. in its \$65 million public stock offering, according to an April 13 announcement. The Jacksonville-based company sold more than 8 million shares to both new and existing institutional investors, with the revenue being used to grow and expand its data center business.

Taking Lead in a Supplement Battle

Robbins Geller Rudman & Dowd LLP has been **named as lead counsel** in a proposed class action against BellRing Brands, which owns several supplement brands whose sales performance it allegedly overstated to investors. The judge in the New York federal case found that the firm, which originally missed the submission deadline by six minutes due to a filing glitch, would be able to handle the case on its own, which would ultimately increase the potential recovery for the class.

Launching an Aerospace Transaction

Michigan firm Varnum LLP advised aerospace company Orbion Space Technology to the Denver-based York Space Systems, the firm said in an April 13 announcement. York Space Systems was already using Orbion propulsion systems in some of its satellites, according to the announcement, and the acquisition will help further York's strategy after going public in January.

A Costly Clipped Wing

Frontier Airlines is relying on Verrill Dana LLP and Shutts & Bowen to handle **a suit** against American Airlines over a nonfatal plane collision on the tarmac at Boston's Logan International Airport. According to an April 17 complaint, a Frontier passenger plane was parked at the gate with passengers aboard when an American plane clipped its wing, taking it out of service for six days and costing \$670,000 to repair.

Geothermal Heats Up

Foley Hoag LLP advised Boston investment firm Spring Lane Capital and the climate-focused specialist investment company Just Climate in a \$40 million development capital financing for an AI-native geothermal energy company Zanskar, which promises to use AI to improve how geothermal energy is identified and produced.

---Additional reporting by Katryna Perera and Carolyn Muyskens. Editing by Drashti Mehta.

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GPGI Faces Suit Over Nevada Reincorporation

By Jarek Rutz

Law360 (April 24, 2026, 7:16 PM EDT) -- A GPGI Inc. investor has filed suit in Delaware seeking to challenge the company's planned move to Nevada, saying the reincorporation — part of a wider trend of companies weighing exits from Delaware — would benefit insiders while limiting stockholders' ability to pursue claims tied to earlier transactions.

In **a complaint unsealed Wednesday**, plaintiff Richard Scarantino said insiders behind the company, formerly known as CompoSecure Inc., orchestrated a spinoff, a multibillion-dollar acquisition and a proposed reincorporation to Nevada as part of a broader scheme that benefits a separate management company they control. The suit names, among others, John Cote, David Cote and Thomas Knott, along with multiple directors and Resolute Holdings Management Inc.

At the center of the case is a structure that allows the controllers to profit from company growth even if that growth harms shareholders. Scarantino labeled the defendants' behavior "a multistep scheme crafted by the defendants to unfairly entrench their operational control of the company in perpetuity while creating a structural conflict that now ensures the company will be slowly drained of value for the controller defendants' benefit," the complaint said.

The dispute traces back to August 2024, when the Cotes and Knott acquired a roughly 60% stake in CompoSecure through an investment vehicle. Soon after taking control, they allegedly reshaped the company's governance and strategy. In February 2025, the board approved a spinoff creating Resolute as a separate public company that would manage CompoSecure's day-to-day operations under a long-term agreement.

That management agreement required the company to pay Resolute 10% of its annual adjusted earnings before interest, taxes, depreciation and amortization, a structure the complaint said created a built-in conflict. Because fees rise with earnings, the controllers allegedly have an incentive to pursue acquisitions that boost revenue even if they destroy shareholder value.

"Immediately after acquiring control of the company, they stacked the board of directors with loyalists and then promptly embarked on an entrenchment scheme that would give them permanent operational control even after future share issuances diluted their voting stock below a majority," Scarantino said.

The lawsuit claims that conflict came to a head with a November 2025 deal to acquire Husky Technologies Ltd. for about \$5 billion. To finance the transaction, the company issued roughly \$3 billion in new equity, significantly diluting existing shareholders. The deal reduced the controllers' ownership in the company from about 41% to 18%, but they retained majority control of Resolute, which saw its management fees jump more than two and a half times.

According to the complaint, the market reaction underscored the imbalance, with Resolute's stock nearly doubling on the announcement while CompoSecure's shares fell about 20% in the following weeks. Scarantino said directors, many of whom sat on both boards, approved the deal despite those conflicts and without adequate independent review.

Scarantino also said the board compounded those issues by considering a move out of Delaware. In April 2026, directors approved a proposal to reincorporate the company in Nevada, which the complaint said could limit shareholder litigation rights and help defendants fend off claims in Delaware's Chancery Court.

Scarantino said the directors breached their fiduciary duties of loyalty and good faith by approving conflicted transactions that favored Resolute and its controllers. He also claimed Resolute aided and abetted those breaches by leading deal negotiations and benefiting directly from the fee structure.

Scarantino seeks damages, corporate governance reforms and equitable relief, including potential changes to the board. He also asked the court to block or unwind aspects of the challenged transactions and to keep the case in Delaware, where the company was incorporated at the time of the alleged misconduct.

Representatives for the parties did not immediately respond to requests for comment Friday.

Richard Scarantino is represented by Ned Weinberger, Mark Richardson, Brendan Sullivan, John Vielandi and Tae Kyung Yang of Labaton Keller Sucharow LLP, Joel Fleming and Amanda Crawford of Equity Litigation Group LLP, Jeremy S. Friedman and David F.E. Tejtrel of Friedman Oster & Tejtrel PLLC, Abbott Cooper of Abbott Cooper PLLC and Richard Maniskas of RM Law PC.

Counsel information for Resolute Holdings Management Inc. and the individual defendants was not immediately available Friday.

The case is Scarantino v. Resolute Holdings Management Inc. et al., case number 2026-0497, in the Delaware Chancery Court.

--Editing by Stephen Berg.

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Spirit Execs Say Investor Suit Can't Lean On 'Hindsight'

By **Rae Ann Varona**

Law360 (April 24, 2026, 10:09 PM EDT) -- Spirit Aviation's current and former top executives have urged a Florida federal court to toss a proposed shareholder class action that accuses them of misleading investors about the company's prospects amid two bankruptcy filings, saying an investor failed to allege any misleading statements and instead relied on impermissible "fraud-by-hindsight" allegations.

Spirit Aviation Holdings Inc.'s CEO David Davis, Chief Financial Officer Frederick S. Cromer and former CEO Edward M. Christie III asserted in a **Wednesday motion to dismiss** the suit that investor Terrance Mleczo improperly relies on "after-the-fact events" to claim that certain statements about Spirit's finances were false. Mleczo filed suit after the discount carrier filed for bankruptcy in **August**, just five months after **emerging** from its **first** bankruptcy declared in November 2024.

The executives said Wednesday that federal securities laws are "not an insurance policy against management decisions or judgments that — in hindsight — turn out differently than anticipated."

Yet Mleczo's "entire case is premised on such impermissible hindsight pleading," they said.

The executives said Mleczo's suit warrants dismissal with prejudice because his operative amended complaint fails to plead any actionable misstatements or omissions, and fails to plead any factual allegations that any of the executives made any statements with an actual intent to defraud, or with severe recklessness, they said.

"Spirit repeatedly and robustly disclosed that it was facing liquidity challenges, that management had taken and was continuing to take steps to address those challenges, that there was no assurance those efforts would succeed, and that, if the efforts were unsuccessful, Spirit's financial position would suffer material adverse consequences," the executives said. "Nothing more was required."

Mleczo and a company he owns called TM Defense Solutions LLC **filed suit** in late September against Davis and Cromer. They later filed an amended complaint adding Christie as a defendant in March, accusing the executives of assuring investors that Spirit had successfully emerged from bankruptcy protection despite the company being, among other problems, "on the brink of breaching liquidity covenants, risking a default and acceleration of its debt obligations" and failing to meet delivery terms for a \$519 million aircraft sale that was necessary for its liquidity needs.

Mleczo seeks to represent all who purchased Spirit securities and suffered damages, with a class period starting on March 12, 2025, the date the first bankruptcy's Chapter 11 reorganization plan became effective, and ending Aug. 29, when the company announced its second bankruptcy filing, according to Mleczo's suit.

The executives' Wednesday motion to dismiss comes as Spirit is **engaging in talks** with the federal government over a Chapter 11 financing package.

In challenging Mleczo's suit, the executives said his amended complaint leans on events that occurred after "cherry-picked" statements from Spirit press releases and U.S. Securities and Exchange Commission filings were made.

"This is classic nonactionable fraud-by-hindsight," the executives said.

Among the statements Mleczko challenged as materially false and misleading was a March 12, 2025, Spirit press release, in which Christie, speaking of Spirit's financials, said the company is "pleased to complete our streamlined restructuring and emerge in a stronger financial position to continue our transformation and investments in the Guest experience."

But the executives said in their motion to dismiss that Mleczko alleges "no contemporaneous facts demonstrating that this statement was false when made, relying exclusively instead on after-the-fact developments," such as Spirit's later alleged breach of liquidity covenants and failure to deliver all of the aircraft required by the \$519 million aircraft sale agreement between Spirit and GA Telesis LLC.

"Plaintiffs' allegations about these subsequent events are textbook fraud by hindsight, which is not actionable," the executives said.

"Beyond that, the allegations do not even contradict Mr. Christie's statement," they added, saying that Mleczko ignored that the "very same press release" announced that Spirit completed a substantial debt reduction and capital infusion.

Mleczko further failed to plead a strong inference of scienter, or that each of the executives either intended to defraud investors or was "severely reckless" when making statements challenged in the suit, the executives said.

Nowhere in the amended complaint are the "traditional scienter allegations" of insider stock sales, confidential witness accounts or contemporaneous facts that contradict statements they made, the executives argued.

They said Mleczko instead relies on their "corporate titles and innocuous activities common to any public company executive," like speaking "repeatedly" and "with authority" to investors, submitting declarations to the bankruptcy court or knowing about Spirit's day-to-day affairs and core operations.

"If plaintiffs' allegations were sufficient to plead scienter with particularity — which, as a matter of law, they are not — virtually every corporate executive would operate with scienter in the ordinary course of business," the executives said.

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

Mleczko is represented by Nathan C. Zipperian and Jayne A. Goldstein of Miller Shah LLP, Joshua B. Silverman, Brian P. O'Connell, Jaime D. Nolasco Esquivel and Jeremy A. Lieberman of Pomerantz LLP and Peretz Bronstein and Michael J. Boyle Jr. of Bronstein Gewirtz & Grossman LLC.

The Spirit executives are represented by Carly A. Kligler and Alec H. Schultz of Hilgers PLLC, and Dana M. Seshens, Daniel J. Schwartz and Esther C. Townes of Davis Polk & Wardwell LLP.

The case is Terrance Mleczko et al. v. David Davis et al., case number 0:25-cv-61959, in the U.S. District Court for the Southern District of Florida.

--Editing by Michael Watanabe.



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Danaher Execs Face Investor Suit Over Post-COVID Outlook

By **Aneeta Mathur-Ashton**

Law360 (April 24, 2026, 6:36 PM EDT) -- Danaher Corp. executives are facing a proposed securities class action in Delaware federal court alleging they profited while misleading stockholders about the slowing sales of its diagnostics and bioprocessing products.

Danaher shareholder Harry Markarian says in a **complaint** filed Thursday that 10 executives of the company, including its president, issued statements portraying growth as resilient while downplaying declining order volumes and weakening demand as global markets recovered from the COVID-19 pandemic.

The company executives "caused substantial harm to Danaher, including damage to the company's reputation and goodwill, exposure to massive litigation and regulatory liability, and the dissipation of corporate assets through insider stock sales and other misconduct," Markarian alleges in the complaint.

Danaher was the subject of a related securities action that reached a settlement of \$172.5 million with shareholders Wednesday in a Washington, D.C., federal court.

Markarian says he had formally requested Danaher's board to investigate, but the board stalled by citing the other class action. Despite efforts to follow up, he says Danaher's board provided him with no response for nearly four months.

He says the Delaware-based company saw extraordinary growth during and after the height of the pandemic — growth that was largely driven by an increased demand for its diagnostics and bioprocessing products.

The demand drove annual revenue to around \$29 billion across the company's operating segments and its stock price rising from \$121.39 per share to \$329.01 per share, according to the complaint. But those figures were expected to drop once the pandemic transitioned to an endemic.

"Despite this knowledge — and despite maintaining systems designed to monitor customer demand, inventory levels, and funding conditions — the individual defendants repeatedly assured the market that Danaher's pandemic-era growth trajectory was sustainable," the complaint states.

Between January and April 2022, Rainer M. Blair, the company's president, CEO and a director, repeatedly told investors and analysts that they could expect \$2 billion in annual revenue for the vaccine and therapeutics and denied there was a reduction in the bioprocessing business with regard to COVID-19 products.

But as the pandemic entered the endemic phase, Markarian says Danaher was forced to issue partial disclosures between 2022 and 2023 that revealed the actual state of the company. He says the first disclosure came at Bank of America's 2022 healthcare conference.

"During the conference, defendant Blair was forced to clear up the 'confusion' left by his previous comments during Danaher's earnings call on April 21, 2022, and revealed for the first time that annual revenue in its bioprocessing business for products and services supporting the production of COVID-19 vaccines and therapeutics was expected to be \$1.4 billion to \$1.5 billion in 2022, down from previous estimates of \$2 billion," Markarian's complaint states.

He says that despite the new information, the company's executives continued to mislead the market by assuring the company as a whole and the non-COVID arm of its bioprocessing business would still deliver growth and make up for losses.

By July 2022, the complaint alleges, Blair changed the forecasting numbers, saying the bioprocessing business was set to earn \$1 billion in COVID-related revenues, a \$500 million shortfall from the projection made at the conference.

By October of that year, Markarian says, that figure dropped to \$800 million, and the company's stock price dropped from \$257.89 per share on Oct. 19 to \$243.08 per share on Oct. 20.

He says it wasn't until October 2023 that Danaher revealed the actual state of its business and that Blair disclosed the company hadn't seen an inflection point in the orders, adding that the company was "at the bottom."

The stock price then dropped again from \$204.05 per share on Oct. 23 to \$192.65 per share on Oct. 25, Markarian says in the complaint.

He says that before the disclosure, the stock prices closed at \$257.89 per share. Once the actual state of the company was announced, the stock price fell to \$192.65 per share.

Markarian also alleges that, as the company's stock traded publicly at artificially inflated prices, the executives sold \$52.7 million of their personally held stock and profited significantly.

"As officers and directors of Danaher, the insider selling defendants were privy to material, nonpublic information about the company's true business health," the complaint states.

Markarian says Blair sold 25,000 shares of his stock for \$7.5 million. Other members — including executive vice presidents and a senior vice president — made between \$3 million to \$22 million.

Counsel for Markarian and Danaher Corp. executives did not immediately respond to requests for comment Friday.

Markarian is represented by Blake A. Bennett of Cooch & Taylor PA and Brian J. Robbins, Stephen J. Oddo, and Michelle H. Nguyen of Robbins LLP.

Counsel information for the Danaher Corp. executives was not available Friday.

The case is Markarian v. Blair et al., case number 1:26-cv-00468, in the U.S. District Court for the District of Delaware.

--Editing by Amy French.

Update: This article has been updated with additional counsel information.



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Rakoff Tosses Securities Fraud Claims Against Coinbase

By **Emilie Ruscoe**

Law360 (April 24, 2026, 7:57 PM EDT) -- U.S. District Judge Jed Rakoff has tossed securities fraud claims against cryptocurrency exchange Coinbase brought by investors in a digital asset that tracked the native token of the now-failed Terraform blockchain ecosystem.

In an order on Wednesday, Judge Rakoff, of the Southern District of New York, said he was dismissing the investors' securities fraud claims and sending other claims in the suit to arbitration. Judge Rakoff did not disclose his reasoning, though he noted that he plans to issue an opinion explaining the decision "in due course."

But the decision comes after Judge Rakoff told the plaintiffs in March that they could amend an earlier version of their suit to cure deficiencies. The judge said the older version of the complaint "likely fails to state securities claims that meet the pleading requirements" of the federal Private Securities Litigation Reform Act.

Judge Rakoff also said in March that the investors could revise their nonsecurities claims, though he noted that they "would, on the current record, likely be referred for arbitration."

The claims that will be arbitrated include those brought under the federal RICO statute, breach of contract and breach of fiduciary duty claims, as well as fraud and unjust enrichment claims. Those allegations purportedly fall within the scope of an arbitration provision of Coinbase's user agreement.

The plaintiffs are purchasers of the Wrapped Luna token, also known as WLUNA, a token on the Ethereum blockchain that was designed to track the LUNA cryptocurrency on the Terra blockchain. Both LUNA and WLUNA were created and controlled by blockchain company Terraform Labs, the suit states.

The investor suit was **filed in California federal court** in May and transferred to Manhattan federal court in November. In the latest version of the investor claims, from March 30, the investors allege that Coinbase unfairly withheld certain tokens from them in the wake of Terraform's **collapse**.

After the collapse, the investors said, Terraform executed a so-called fork, altering its blockchain protocol. It issued a new token, which was also called Luna, and distributed the new tokens to those who'd held the old Luna tokens, but not to WLUNA holders, the suit states.

The investors allege that Coinbase received a distribution of the new forked Luna coins, but "chose not to participate" in the distribution of the "new Luna" tokens to WLUNA holders, instead absorbing those assets itself.

According to the investors, the exchange's decision "unfairly benefited Coinbase at the direct expense of retail investors, who were deprived of millions of dollars of potential gains."

In its latest dismissal bid, Coinbase said the investors "are disgruntled that they did not receive new Luna" on the heels of the Terra collapse, but haven't shown that they were entitled to receive the new token.

Coinbase pointed to the investors' own statement that the new Luna token was "an entirely new asset/token."

According to Coinbase, "no reasonable WLUNA purchaser" would have assumed that after the New Luna distribution, Coinbase would give WLUNA purchasers one new Luna in exchange for their WLUNA.

Terra has since filed for **bankruptcy** and said in September 2024 that it would wind down.

Representatives for the parties did not immediately respond to requests for comment Friday.

The plaintiffs are represented by Mario Tafur of Bulldog Law PC and Philip R. Berwish of Berwish Law.

Coinbase is represented by Randall Scott Luskey, Paul D. Brachman, Kristina A. Bunting and Michael J. Pisem of Paul Weiss Rifkind Wharton & Garrison LLP.

The case is Heabeart et al. v. Coinbase Inc. et al., case number 1:25-cv-09197, in the U.S. District Court for the Southern District of New York.

–Additional reporting by Aisling Kelly and Vince Sullivan. Editing by Karin Roberts.

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Big Banks Say Investors' Beefed-Up Tricolor Claims Still Fail

By **Sydney Price**

Law360 (April 24, 2026, 5:12 PM EDT) -- JPMorgan, Barclays and Fifth Third doubled down on their bid to dismiss an investor suit accusing them of facilitating an alleged auto loan fraud by Tricolor Holdings, saying they were also blindsided by Tricolor's actions.

Tricolor, a Texas-based subprime auto lender, filed for bankruptcy in September and has since become the epicenter of investigations into what a court-appointed trustee has said appeared to be "a pervasive fraud of huge proportions."

In their motion to dismiss the investors' claims on Thursday, the banks said they were the victims of Tricolor's **double-pledging scheme**, and that the plaintiffs do not sufficiently allege that the banks failed to take required actions that could have alerted them to the **fraud** earlier.

The plaintiffs, which include funds managed by One William Street, Clear Haven Capital and Janus Henderson, say they ultimately relied on the banks' representations to buy more than \$230 million of Tricolor asset-backed notes.

But the banks said the "limited amendments" in the new complaint launched earlier this month do not cure issues at the root of the claims.

"In the end, the fundamental defect at the heart of Plaintiffs' fraud theory remains: the 'objectively more compelling' inference is that Tricolor 'concealed its fraud from [Defendants], just as it concealed its fraud from [Tricolor] investors,'" the motion states.

The current action targets JPMorgan, Barclays and Fifth Third over their roles as warehouse lenders and underwriters to Tricolor, alleging they "fueled and perpetuated Tricolor's Ponzi-like fraud" to protect their own bottom lines.

Although the plaintiffs' new complaint claims that a 2024 report by CBIZ Inc. recommended Barclays and JPMorgan "follow up" with Tricolor to discuss potential discrepancies regarding the delinquency status of four loans, the banks say the suggestion, even if ignored, does not establish scienter.

"The allegation that if Defendants 'had exercised greater skepticism or performed further procedures, [they] potentially could have discovered the fraud' is 'not sufficient to allege scienter' in this Circuit," the motion states.

According to the complaint, Tricolor funded its auto lending with revolving lines of credit from the banks and would pledge the loans back to these warehouse facilities as collateral. The loan receivables were then packaged into nearly \$2 billion of securities that affiliates of the banks underwrote and sold, the plaintiffs allege.

The banks were incentivized to look the other way, or else the pipeline could shut down and they "would be left holding the bag," the suit claims.

The suit alleges this "house of cards" finally crumbled when Tricolor filed for bankruptcy. Once the "truth of Tricolor's fraud emerged," the plaintiffs said, their Tricolor notes plummeted in value and now "trade for pennies on the dollar."

Thursday's motion also claims that the suit's aiding and abetting claim is deficient and that the banks' participation in distributing the allegedly misleading offering memorandum is not enough.

"None of this supports the allegation that Defendants materially 'aided and abetted Tricolor's misstatements and omissions in the Offering Memorandum,' especially given that Defendants disclaimed making any 'representation or warranty as to the accuracy or completeness of [the] information' in the Offering Memoranda," the motion states.

Representatives for the parties did not immediately respond to requests for comment on Friday.

The plaintiffs are represented by Blair Adams, Deborah Newman, Robert Loigman, Toby Futter and Eric Winston of Quinn Emanuel Urquhart & Sullivan LLP.

JPMorgan is represented by Robert A. Sacks and Jonathan S. Carter of Sullivan & Cromwell LLP.

Barclays is represented by Jeffrey T. Scott, Jonathan M. Sedlak and Jacob E. Cohen of Sullivan & Cromwell LLP.

Fifth Third is represented by Robert J. McGahan, Jonathan Harrington and Rebecca Lynn Bower of Bradley Arant Boult Cummings LLP and Jenna M. Dabbs, Sean Hecker and Marshall L. Miller of Hecker Fink LLP.

The case is One William Street Capital Master Fund Ltd. et al. v. JPMorgan Chase Bank NA et al., case number 1:26-cv-01622, in the U.S. District Court for the Southern District of New York.

--Additional reporting by Jon Hill and Katryna Perera. Editing by Vaqas Asghar.



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Full 6th Circ. Nixes Class Cert. In State Farm Vehicle Value Suit

By **Eli Flesch**

Law360 (April 24, 2026, 6:33 PM EDT) -- The full Sixth Circuit on Friday reversed the certification of a class of 90,000 State Farm policyholders in a suit claiming the insurer systematically undervalues totaled vehicles, finding the insurer has a right to present unique evidence for specific class members.

The decision reversed a Sixth Circuit panel decision and is a win for State Farm Automobile Insurance Co., **which had argued** that the court's previous ruling departed from five other circuits that rejected class certification in nearly identical cases.

The court said State Farm policyholder Jessica Clippinger's suit, which concerned the propriety of the insurer's practice of lowering payouts to account for the final sales price of used vehicles similar that of the totaled ones, shouldn't be litigated on a class basis.

"All told, the class's common contract claims will require 'mini trials as to each' class member," U.S. Circuit Judge Eric E. Murphy wrote in an opinion that was joined in by nine other judges. "So individualized questions will predominate over common ones."

Clippinger initially sued in Tennessee state court in May 2020, a year after her Dodge Caravan was totaled, asserting a single claim for breach of contract against State Farm.

While Clippinger received \$14,490 for her totaled vehicle, she alleged in the suit — which was later taken to federal court — that State Farm improperly reduced actual cash value payouts for its insureds' vehicles using a "typical negotiation" deduction.

The full circuit court also rejected the Western District of Tennessee's finding that it could estimate the damages for each class member in such a way that would entitle those class members to refunds in the amount of a typical negotiation deduction.

That proposed solution of using a simple calculation to find a refund amount would "eliminate State Farm's 'substantive right' to present unique evidence that it paid fair market value to a specific class member despite its use of the adjustment," the judges said.

Gina Morss-Fischer, a spokesperson for State Farm, told Law360 in a statement that, "State Farm appreciates the court's decision and its recognition that total-loss vehicle values depend on the facts of each individual claim, which is why these cases are not a good fit for class treatment."

In a dissenting opinion joined by six other members of the circuit court, U.S. Circuit Judge Julia Smith Gibbons wrote that the class certification should have remained because Clippinger alleged that the typical negotiation deduction always resulted in the depreciation of a policyholder's vehicle valuation below the actual cash value of the vehicle.

Attorneys for the policyholders didn't immediately respond to a request for comment.

Clippinger and the policyholders are represented by Hank Bates and Lee Lowther of Carney Bates & Pulliam PLLC and Jacob L. Phillips of Jacobson Phillips PLLC.

State Farm is represented by Theodore J. Boutrous Jr., Bradley J. Hamburger, Daniel R. Adler and

Matt Aidan Getz of Gibson Dunn & Crutcher LLP, Peter W. Herzog III and Eric L. Robertson of Wheeler Trigg O'Donnell LLP and Christopher L. Vescovo of Lewis Thomason.

The case is Clippinger et al. v. State Farm Mutual Automobile Insurance Co., case number 24-5421, in the U.S. Court of Appeals for the Sixth Circuit.

--Additional reporting by Hope Patti. Editing by Abbie Sarfo.

Update: This story has been updated to include a comment from Morss-Fischer.

Correction: This article has been updated to amend an incorrect attorney listing.

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Top Court Won't Hear Former Ohio Speaker's Bribery Appeal

By **Cara Salvatore**

Law360 (April 27, 2026, 9:38 AM EDT) -- The U.S. Supreme Court refused Monday to hear an appeal by former Ohio House of Representatives Speaker Larry Householder after he was convicted and sentenced to 20 years in prison for his role in the \$1.3 billion FirstEnergy nuclear bailout scandal.

Householder's certiorari petition, rejected by the justices without comment, had argued it's not illegal for politicians to take donations even while knowing that the donor has expectations in return.

"If an expectation is enough to constitute Hobbs Act extortion, then candidates who forthrightly tell the public what they plan to do if elected, and who ask for support in getting elected, will be chilled," his legal team said in the December filing.

Householder was **convicted in March 2023** of accepting bribes from the electric utility in exchange for his support for legislative efforts to bail out two of the company's plants. He was **sentenced that June** to 20 years.

"Did FirstEnergy expect that they would benefit if they could help Larry Householder become speaker?" the cert petition said. "Did Larry Householder know that FirstEnergy expected him to be supportive should he attain his ambition of becoming speaker? The answer to both questions is 'of course.' ... None of the above is anything other than what happens every day in the course of politics throughout the nation."

There's also massive confusion about the proper interpretation of two precedents, his team said: 1991's *McCormick v. U.S.*, which required an "explicit" quid pro quo for conviction, and 1992's *Evans v. U.S.*, which required only that an official receive "a payment to which he was not entitled, knowing that the payment was made in return for official acts."

Householder's petition was combined with the appeal of co-defendant Matthew Borges, a lobbyist and former Ohio Republican Party chair. Both have maintained their innocence.

Borges received a supporting amicus brief in February from defendants in other landmark corruption cases to reach the top court: former Virginia Gov. Robert McDonnell, former New Jersey gubernatorial aide and "Bridgegate" defendant Bridget Kelly, and Joseph Percoco, an ex-aide to former New York Gov. Andrew Cuomo. They objected to a conviction for someone "who was not involved in the receipt of campaign contributions by the public official."

"Candidates and public officials are not the only individuals adversely affected," the three said. "Under the Sixth Circuit's expansive reading of the quid pro quo requirement, donors will be deterred from contributing to their preferred campaigns or interacting with officials whom they have supported politically for fear that a skeptical prosecutor would interpret their contributions as an attempt to bribe the official."

The U.S. initially waived its right to respond to Householder's cert petition, but the high court requested a response, which was filed in late March.

The U.S. said that Householder's donation acceptance entity, Generation Now, "enabled Householder to receive 'unlimited money' that 'wouldn't be traced back' to FirstEnergy."

In 2017 and 2018 FirstEnergy put \$2.4 million into Generation Now that was used to support candidates who would bolster Householder's bid for speaker, as well as for personal expenses, prosecutors said. Householder allegedly used \$500,000 of money to pay a legal settlement and to have repairs done on a house he owned in Florida.

Most of those candidates won their races. Householder was elected speaker in 2019, created a new energy-related committee in the Legislature, and had FirstEnergy help draft the bailout legislation, prosecutors said. When the bailout legislation ran into opposition, FirstEnergy pumped another \$15 million into Generation Now, according to the government, and later another \$38 million.

The \$1.3 billion bailout package, which passed in 2019, was known as H.B. 6.

FirstEnergy admitted to bribing Householder and other politicians and **agreed to pay a \$230 million fine** in 2021 as part of a deferred prosecution agreement.

In **opening arguments in Householder's trial**, in January 2023, jurors heard that a key portion of Householder's scheme began on a private plane ride to Washington with executives of FirstEnergy, followed by a meeting at a "fancy" steakhouse.

At the restaurant, Householder and associate Jeffrey Longstreth discussed plans for his speakership run and ways the Legislature could help save two FirstEnergy nuclear plants, near Cleveland and Toledo, prosecutors said.

After several more meetings, Longstreth — who had flown coach to meet up with his boss in D.C. — opened a bank account for the nonprofit Generation Now Inc., "the perfect vehicle to receive secret bribe payments," prosecutor Emily Glatfelter told the jury.

Longstreth, lobbyist Juan Cespedes and Generation Now have since pled guilty.

An adviser, Neil Clark, died by suicide, as did lobbyist-turned-regulator Sam Randazzo, who was accused of taking payoffs.

Two FirstEnergy Corp. executives recently went to trial on charges of bribing a utility regulator, but **the trial ended in an impasse**. Ohio's attorney general has said the state will retry former FirstEnergy CEO Chuck Jones and Michael Dowling, former senior vice president of external affairs.

Jones and Dowling were accused of working with Public Utilities Commission of Ohio Chair Randazzo, a lawyer who went into government in 2019, to funnel bribes and help push H.B. 6.

In Householder and Borges' trial, defense lawyer Steven Bradley told the jury that a now-defunct FirstEnergy subsidiary — the entity that actually owned the plants — was the "driving force" behind H.B. 6, not his client.

Bradley also said the \$500,000 that prosecutors said Householder took was lent by Longstreth. As for the conspiracy prosecutors said started at a swanky steakhouse, he told jurors that "you will see and hear no evidence of any such agreement."

Bradley said Monday: "We are deeply disappointed that the court declined to hear this case on the merits. The issue raised, namely what conduct constitutes a bribe of a public official versus an ordinary campaign contribution, remains muddled and needs to be addressed by the court, hopefully sooner than later. The fact that multiple circuit courts of appeal have invited the court to revisit this issue highlights the need to provide more clarity to litigants as well as public officials."

Householder is represented by Steven Bradley of Marein & Bradley LLC.

Borges is represented by Joseph Alexander Little IV of Litson PLLC.

The government is represented by Solicitor General D. John Sauer.

The cases are Householder v. U.S., case number 25-756, and Borges v. U.S., case number 25-757, in the U.S. Supreme Court.

--Editing by Robert Rudinger.

Update: This article has been updated to include comments by Householder's counsel.

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