KKR's Private Credit Clients Slow Down Their Redemption Requests

Investors in a KKR & Co. retail private credit fund got back all of their requested cash in the second quarter, a sign that individual investors' skittishness over the asset class may be easing.

The fund, KKR FS Income Trust, received repurchase requests totaling 1.65% of outstanding shares, well below the 5% limit, according to a Monday regulatory filing, which said the requests were met in full. Investors in the fund known as K-FIT tried to redeem 6.3% of shares in the prior quarter, causing the fund to prorate requests at about 80%.

Read More: KKR Curbs Redemptions in Non-Traded Private Credit Retail Fund

K-FIT and other nontraded business development companies, a type of private credit fund for retail investors, were pummeled with redemption requests earlier this year as rapid advances in AI sparked concerns about exposure to software companies that stood to be disrupted by the technology.

In the second quarter, redemption requests escalated again for many asset managers, including Apollo Global Management Inc. and Blackstone Inc., as investors who had been blocked tried again to get their money back.

KKR joins a few of its peers, including Goldman Sachs Group Inc. and Oaktree Capital Management, in seeing lower redemptions in the latest quarter.

Another private credit fund for the asset manager, KKR FS Income Trust Select, which is known as K-FITS, received repurchase requests totaling 3.43% of outstanding shares and will fulfill all requests, according to a separate filing. Requests for that vehicle too were slightly lower than last quarter's requests of 3.7%.

K-FIT, which had a net asset value of about $1.6 billion as of May 31, has delivered an annualized return of roughly 13%. K-FITS had a NAV of about $1 billion and has returned roughly 9% annualized.

Ticketmaster's terms call for arbitration over antitrust issues, judge says | Secondary Sources | Federal

(July 06, 2026) - Three consumers who filed antitrust class actions against Ticketmaster LLC must settle their dispute in arbitration, a New York federal judge has ruled, finding that they had agreed to such terms when they bought or sold tickets.

Ticketmaster reseller James R. Jacobson and two others who bought tickets on StubHub failed to show that the delegation clause in Ticketmaster's terms of use did not apply to them, U.S. District Judge Arun Subramanian of the Southern District of New York said June 29, sending both proposed class actions to arbitration.

Ticket trouble

The two proposed class actions, both filed in 2024, accuse Live Nation Entertainment Inc. and its Ticketmaster subsidiary of leveraging dominance in concert promotion and primary ticketing to stifle competition in the secondary ticket market.

In one suit, lead plaintiff Jacobson says he was charged a handling fee of nearly 16% to resell tickets to a Dead & Company concert in Pennsylvania and a similar fee to resell tickets for another show in Cincinnati. *Jacobson v. Live Nation Ent. Inc.*, No. 24-cv-6538, *complaint filed* (S.D.N.Y. Aug. 29, 2024).

Plaintiffs Abraham Leifer and Tamara Stevens claim they paid inflated prices for tickets through the ticket resale platform StubHub because of Ticketmaster's upstream anticompetitive conduct. Leifer's and Stevens' suits were consolidated in September 2024. *In re Live Nation Ent. Inc. and Ticketmaster LLC Antitrust Litig.*, No. 24-cv-3994, *complaint filed* (S.D.N.Y. Sept. 16, 2024).

According to that suit, Ticketmaster and Live Nation control most major venues and exclusive ticketing contracts, allowing them to inflate face-value prices and add excessive fees. These increases are then passed on to consumers in the secondary market, Leifer and Stevens say.

The defendants, however, say these plaintiffs agreed to arbitrate claims against Live Nation and Ticketmaster when agreeing to Ticketmaster's terms of use. The companies filed a motion to compel arbitration and stay the proceedings.

Valid delegation clause

Judge Subramanian said his analysis was limited to whether the delegation clause in the terms of use was valid.

Leifer and Stevens argued that the terms of use were unenforceable because they had signed Ticketmaster's contract under duress.

The judge rejected that argument, saying that under California law, "losing out on a concert ticket isn't sufficient to show duress."

He also ruled that the arbitration procedures were not substantively unconscionable, noting that Ticketmaster's arbitration provider, New Era, had updated its rules in response to a 2024 decision regarding the enforceability of Ticketmaster's arbitration clause. *Heckman v. Live Nation Ent. Inc.*, 120 F.4th 670 (9th Cir. 2024).
According to the opinion, Live Nation and Ticketmaster stipulated that two of the most controversial provisions from the old rules — a "mass arbitration" protocol and a lopsided appeal process — would not apply in the proposed class actions.

Judge Subramanian granted the companies' motions to compel and stayed the cases pending the conclusion of arbitration.

By Westlaw Today

AI Entities and the Internal Affairs Doctrine

businesslawprofessors.com

Javier Milei recently wrote in the *Financial Times* that Argentina will soon create a new type of legal entity: the "nonhuman corporation," operated entirely by AI entities. These entities will have the limited liability protections of an ordinary corporation; "human shareholders may participate, but are not required."

Delaware, it seems, is developing something similar:

> The proposed legislation would create a testing ground for companies to use what are called AI agents to autonomously complete business tasks typically done by humans. The AI agents would oversee whole business operations under the umbrella of a new kind of entity, called an Artificial Intelligence Company, or AIC.

It's not exactly clear why a new entity is required for this; perhaps to allow for nonhuman corporate directors? AI members or managers? Nonetheless, there's this:

> The principal drafter of the proposed legislation, John Mark Zeberkiewicz, said the measure could allow AI agents to engage in just about any business activity — from providing coding services to signing contracts, or even filing and defending lawsuits.

> He also noted that it seeks to protect owners of new Artificial Intelligence Companies from facing legal liability from actions the AI might take….

> The incentive for a company to enter into the Delaware's proposed regulatory sandbox would be to test an autonomous entity with a liability shield, Zeberkiewicz said.

> "It's like any limited liability company – you form it for the purpose of making sure that the owners of the business are not automatically liable for the debts and obligations of the entity," he said.

Okay, here's the thing. Choice of law for veil-piercing is generally governed by the internal affairs doctrine, but there are a minority of jurisdictions who use ordinary choice-of-law principles, and certainly, that's the position that's advocated by some scholars.

So my question is, if Delaware gets a bit over its skis in terms of authorizing nonhuman entities and then purports to *provide their human investors with a liability shield*, how likely is it that *other states* will respect that shield when faced with tort claims by their own residents?

I mean, I'm sure artificial intelligence can and will accomplish amazing things, but right now, it's making a lot of headlines as cheating assistant, plagiarism machine, fabulist, and suicide coach, so I'm not bullish on the idea of other states' courts willy-nilly respecting Delaware's right to set the liability rules for the entire country.

Lagniappe. I've previously posted about the case of *Cannon v. Romeo Systems*, which is something of a tragicomedy of startup drafting errors. Where we last left things, the CEO had paid a consultant using a warrant for company stock, and the consultant later got a personal loan from the CEO using the warrant as collateral. When she defaulted on the loan, the CEO claimed the warrant, but – as the Court of Chancery subsequently concluded – the security pledge agreement did not sufficiently describe the warrant and therefore the CEO had improperly converted her property, resulting in a multi-million judgment.

Well, the Delaware Supreme Court recently reversed, holding that, though the pledge agreement was not perfect, it did sufficiently describe the warrant such that a security interest attached and there was no conversion. Remanded for consideration of any further implications.

CareDx Leaders’ Audit Reforms Settlement Gets Court Approval (1)

CareDx Inc. directors and executives’ agreement to instill several reforms at the healthcare company earned a judge’s final approval, resolving shareholder allegations that they engaged in improper revenue-boosting schemes.

Counsel for the shareholders will get $594,000 in attorneys’ fees and litigation expenses, Judge Trina L. Thompson said while blessing the deal in the US District Court for the Northern District of California July 3. Four shareholders will each get $1,500 for their work on the derivative lawsuit alleging CareDx leaders hid that executives created schemes including kickbacks to doctors, inaccurate marketing related to organ rejection surveillance, and test service “bundling.”

- Reforms include the creation of a management level disclosure committee, an enhancement to the audit committee, and a $250,000 expenditure for an initial independent compliance assessment followed by $250,000 per year for two years to implement resulting recommendations
- Thompson approved a related $20.25 million investor class settlement last year with CareDx, which provides testing and monitoring services for organ transplant patients and care providers

The Rosen Law Firm PA, Levi & Korsinsky LLP, and Bragar Eagel & Squire PC represent the shareholders. An attorney for the shareholders declined to comment in an email. Willkie Farr & Gallagher LLP represents the directors, executives, and CareDx, a nominal defendant. CareDx declined to comment.

The case is Edelman v. Bickerstaff , N.D. Cal., No. 3:25-cv-02036, order 7/3/26 .

Illinois Governor Signs Nation's Strongest Frontier AI Model Law

Illinois Gov. J.B. Pritzker (D) signed into law new transparency and safety reporting obligations on companies developing the most advanced AI models Monday.

The Artificial Intelligence Safety Measures Act requires companies developing frontier AI models to evaluate and mitigate catastrophic risks, submit to independent third-party audits, report critical safety incidents within 72 hours, and ensure public disclosures are accurate. The law takes effect Jan. 1, 2027.

- The law borrows aspects from similar AI transparency and safety efforts in New York and California.
- Penalties reach as high as $3 million per repeat violations.
- Catastrophic events are defined in the law as those resulting in the deaths of at least 50 people or damage of $1 billion or more per incident.

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AI startup CEO pleaded guilty in US to trading on insider tips from lawyers

reuters.com/legal/government/ai-startup-ceo-pleaded-guilty-us-trading-insider-tips-lawyers-2026-07-07

BOSTON, July 7 (Reuters) - The founder and chief executive of an AI startup secretly pleaded guilty last year to participating in a vast scheme in which attorneys at major law firms tipped traders about mergers their employers were advising on.

Court records, opens new tab unsealed on Monday show that Arya Bolurfrushan, a former Goldman Sachs banker who founded Abu Dhabi-based AppliedAI, pleaded guilty in June 2025 after striking a deal with federal prosecutors in Boston who were working to build cases against dozens of other people accused of participating in the long-running insider trading scheme.

Those individuals include Nicolo Nourafchan, who had worked at the law firms Sidley Austin, Latham & Watkins and Goodwin Procter before prosecutors in May unveiled charges against him and 29 other people accused of engaging in a scheme to profit from confidential information about mergers underway.

Bolurfrushan pleaded guilty to conspiring to commit securities fraud in a plea agreement, opens new tab where prosecutors agreed to recommend that he be sentenced to two years in prison and forfeit $954,496 he derived from the scheme.

Jordan Estes, his lawyer at Gibson, Dunn & Crutcher, declined to comment.

Nine other people also pleaded guilty in secret proceedings in the years before prosecutors announced the indictments.

Prosecutors say Bolurfrushan traded on tips passed along to him by Nourafchan and his partner, personal injury attorney Robert Yadgarov, in exchange for a cut of any trading profits.

Bolurfrushan had met the two lawyers through one of Nourafchan’s family members and was recruited into the scheme in 2023 while he was in Dubai, according to the U.S. Securities and Exchange Commission, which settled civil claims against Bolurfrushan in a related lawsuit on Monday.

Nourafchan and Yadgarov pleaded not guilty last month to securities fraud and other charges and are awaiting trial.

According to prosecutors and the SEC, Nourafchan, while working as an associate at Goodwin Procter, in September 2023 accessed electronic documents concerning a deal he was not working on, the planned acquisition of Goodwin's client Orchard Therapeutics by Kyowa Kirin Co Ltd.

Nourafchan tipped Bolurfrushan off to the expected merger, allowing him to buy Orchard securities, authorities say. The SEC said he earned $950,000 in trading profits and passed along about $60,000 to Nourafchan and Yadgarov.

Bolurfrushan engaged in insider trading again in mid-2024, based on a tip about investment firm Sixth Street's plans to acquire insurer Enstar for $5.1 billion, according to charging documents.

Elon Musk's bid to set aside Twitter fraud verdict rejected by US judge

reuters.com/world/us-judge-rejects-elon-musk-bid-set-aside-twitter-fraud-verdict-2026-07-06

July 6 (Reuters) - A federal judge on Monday rejected Elon Musk's bid to void a jury verdict finding that the world's richest person defrauded Twitter investors by trying to drive down the social media company's stock price after agreeing to a $44 billion takeover.

U.S. District Judge Charles Breyer in San Francisco also denied Musk's motion to decertify the class of investors, and granted the investors' motion for prejudgment interest. The judge did find Musk not liable for one of his challenged tweets.

"Even if the speaker has a change of heart or a momentary regret about a transaction, such qualms do not justify lying to the investing public," Breyer wrote.

Investors accused Musk of falsely suggesting that Twitter was overrun by fake and spam accounts, known as bots, to force the company to renegotiate his offer or let him back out. They said it caused losses when they sold shares at depressed prices.

A lawyer for the investors estimated that Musk could owe $2.6 billion in damages following the March 20 verdict.

Musk ultimately bought Twitter in October 2022 and changed its name to X. It is now part of his rocket and satellite company SpaceX (SPCX.O), opens new tab.

Lawyers for Musk did not immediately respond to requests for comment.

Mark Molumphy, a lawyer for the investors, called it "a very good day" for investors in public markets, after jurors "rejected Musk’s effort to game that system."

Musk often chooses to battle shareholders in court rather than settle. He also faces a lawsuit in Manhattan claiming he defrauded Twitter investors by waiting too long to disclose his initial investment, letting him buy cheaply.

'SUBSTANTIAL EVIDENCE OF FALSITY'

Jurors found Musk liable for May 13 and May 17, 2022, tweets about Twitter, less than one month after he agreed to a takeover.

Musk's first tweet said the purchase was "temporarily on hold" pending details on whether bots represented less than 5% of users. Investors said it caused Twitter's share price to fall 18% over two trading days.

The second tweet said the percentage of bots could be much higher than 20%, and the purchase "cannot move forward" until Twitter's chief executive proved it was under 5%.

Breyer found "substantial evidence of falsity" in the May 13 tweet, and said "a jury could conclude that Musk had a motive to get out of the existing deal and used bots as a pretext to do so."

The judge, however, said the lack of market reaction to the May 17 tweet meant Musk was not liable for it.

JUDGE REJECTS '420' CLAIM

Breyer also rejected Musk's claim that jurors were "mocking" him and using the verdict to "send a message" by highlighting the figure "$4.20" in bright blue on the verdict form.

The number 420 is associated with marijuana culture, and Musk has often used it in interviews, tweets and in business activities.

Musk's takeover of Twitter valued the company at $54.20 per share. In another example, Musk's 2018 tweet that he had "funding secured" to take his electric car company Tesla (TSLA.O), opens new tab private for $420 per share prompted a U.S. Securities and Exchange Commission civil fraud lawsuit, which he later settled.

The judge, however, said it "defies common sense" that jurors were biased against Musk, noting that they deliberated over nearly four days and sided with Musk on some claims.

Breyer also found no evidence that 420 was negatively associated with Musk.

"To the contrary, 420 is a reference to cannabis/marijuana," Breyer wrote. "One need only walk around San Francisco on April 20 to observe how prevalent the celebration can be."

Meta says US states are seeking $1.4 trillion in penalties in August youth safety trial

reuters.com/business/meta-says-us-states-are-seeking-14-trillion-penalties-august-youth-safety-trial-2026-07-07

July 6 (Reuters) - Meta Platforms (META.O), opens new tab said in a court filing on Monday that four states were seeking $1.4 trillion in penalties over accusations the company designed its Facebook and Instagram platforms to addict young users and misled the public about their safety.

Meta put forward the figure in its response to the attorneys general's filings on how penalties should be calculated if the states prevailed at trial.

The number, which has not previously been disclosed and is close to Meta's market capitalization of around $1.5 trillion, comes ahead of an August trial in Oakland, California, over the claims brought by California, Colorado, Kentucky and New Jersey against the company.

Meta said the amount was unsupported by the evidence.

"A sanction of that size has no analog in the history of consumer protection enforcement," the company said in the filing.

"The plaintiffs' outlandish calculations have no basis in fact or law," the company said in a statement, adding that it would continue to defend itself against the states' demands.

A spokesperson for California Attorney General Rob Bonta said in a statement the lawsuit "alleges Meta has prioritized profits over the safety of kids and fueled the mental health crisis we see impacting a generation of American children. The California Department of Justice looks forward to holding Meta fully accountable at trial in August."

Spokespeople for the attorneys general offices in Colorado and New Jersey declined to comment.

Representatives for the Kentucky Attorney General's office did not respond to requests for comment after the filing.

TALLYING DAMAGES

The states' filings are sealed, but at a court hearing in June they said they were calculating the penalties by multiplying the number of violations by fine amounts set by state law. The number of violations is based on the estimated number of teens and young users affected by Meta's actions, the states said.

Twenty-nine states have sued Meta in federal court, most of them alleging the company violated the federal Children's Online Privacy Protection Act by collecting data from children without proper parental consent. The trial in August before U.S. District Judge Yvonne Gonzalez Rogers will address all claims brought under that law, plus the four states' allegations that the company violated their state laws protecting consumers by misleading them about the safety of their platforms.

Meta has denied the allegations, saying the attorneys general have no evidence it misled consumers about its platforms' alleged addictiveness because "social media addiction" is not an established psychiatric condition, and therefore statements that its platforms were not addictive could not be false.

A further 14 states have brought claims under their own laws, which will be heard at a separate trial in February.

Last month, Rogers rejected Meta's bid to cancel the trial, saying there remained factual disputes over whether its social media platforms were addictive, whether Meta falsely denied it designed them that way, and whether it "partially" directed the platforms at children.

Meta, Snapchat and that platform's parent Snap Inc. (SNAP.N), opens new tab, YouTube and its parent Alphabet Inc. (GOOGL.O), opens new tab, and TikTok and its parent ByteDance face thousands of lawsuits in federal and state court over claims they knowingly designed their platforms to have features that addict children and teens, fueling a mental health crisis.

States across the country have sued the companies, some as part of the case before Rogers and others in their home state courts. New Mexico was the first to go to trial, and a jury awarded the state $375 million in March after finding the company had misled New Mexico consumers.

A judge in New Mexico is currently weighing the second portion of the state's case, which seeks additional damages and a court order directing the company to make changes to its Instagram, Facebook and WhatsApp platforms.

Reporting by Diana Novak Jones; Editing by Alexia Garamfalvi, Kate Mayberry and David Gregorio

Diana reports on product liability, litigation, mass torts and the plaintiffs' bar. She previously worked at Law360 and the Chicago Sun-Times.

Silbert, DCG Get to Appeal Ruling on What Makes a ‘Security’ (1)

Digital Currency Group Inc. will be able to argue to the Second Circuit that the Genesis Yield program, from one of its units, didn’t constitute a security, a Connecticut federal judge said.

DCG’s argument deserves attention from the Second Circuit because there is a difference of opinions on how older securities-law precedent applies to crypto, Judge Stefan R. Underhill for the US District Court for the District of Connecticut said while certifying the firm’s motion for interlocutory appeal.

DCG, along with its CEO Barry Silbert and President Mark Murphy, will appeal Underhill’s February order allowing participants in the Genesis Global Capital LLC lending program to proceed with securities claims against the company.

The July 2 ruling sets the circuit up to weigh in on how to determine whether cryptocurrency offerings constitute securities.

Underhill’s order cited both the US Supreme Court’s 1946 test in *SEC v. W. J. Howey Co.* and an alternate test in the court’s 1990 ruling in *Reves v. Ernst & Young* for determining securities. At the time, Underhill noted difficulties of using older legal framework to evaluate a modern industry.

In certifying the appeal to the US Court of Appeals for the Second Circuit, Underhill said there is a “broader question” about whether the *Howey* and *Reves* tests apply to “transactions involving cryptocurrency investment schemes.”

“Accordingly, I agree with the defendants that a substantial ground for difference of opinion exists because the issue is particularly difficult and has not yet been addressed by the Second Circuit,” Underhill said.

The legal concern raised by the defendants is a controlling question of law because a reversal based on it would “significantly affect the course of the litigation,” Underhill said.

The defendants also correctly note that an immediate appeal would serve both the interests of the judicial economy and save the parties years of litigation, meeting the court’s standards to certify the appeal, he said.

According to the complaint, members of the proposed class are owed more than $1 billion. Kaplan Fox & Kilsheimer LLP and Silver Golub & Teitell LLP are lead counsel for the plaintiffs. Day Pitney LLP and Weil Gotshal & Manges LLP are the lead firms representing DCG and executives.

The case is McGreevy v. Digit. Currency Grp. Inc. , D. Conn., No. 3:23-cv-00082, order 7/2/26 .

CS Disco Investors Seek Initial OK Of $11.5M Deal

law360.com/articles/2497413/cs-disco-investors-seek-initial-ok-of-11-5m-deal

(July 6, 2026, 7:35 PM EDT)-- E-discovery provider CS Disco has reached a nearly $12 million deal with shareholders that would end claims that the company concealed information regarding the sustainability of its rapid revenue growth in 2021 and sexual harassment allegations against its former CEO.

The parties said in a preliminary settlement **motion** filed in Texas federal court Wednesday they accepted a mediator's recommendation to settle the claims for $11.5 million following two mediation sessions.

The investors told the court the settlement amount represents a recovery of about 4.7% of the estimated maximum damages.

"Anything less than a complete victory would decrease, or potentially eliminate, recoverable damages," according to the filing. "The percentage of maximum damages recovered here therefore evinces a highly favorable result for the class, well within the range of securities class action settlements with similar total damages."

Lead counsel will seek up to $3.8 million, or one-third of the settlement fund, in fees, as well as expenses with interest.

If approved, the settlement would resolve investors' claims that CS Disco did not disclose that a few customers were driving the company's revenue at the time of its 2021 initial public offering and in the first few quarters after it went public, as well as their allegations that the company concealed that its former CEO Kiwi Camara had a yearslong pattern of "harassing young female employees."

According to a complaint, the truth began to emerge in August 2023, when shares of CS Disco fell more than 53% after the company downwardly revised projections for the year. CS Disco said at the time the previous projections relied on continuing to receive revenues "from a small number of large review matters, matters which had disappeared in the preceding months," the shareholders alleged.

Then, on Sept. 11, 2023, CS Disco's shares declined 23% after the company announced that Camara had resigned, according to the suit. Investors later learned from media reports that Camara, who is also a defendant in the litigation, had left the company due to the allegations of harassment against him, they alleged.

The investors are represented by Jonathan Stern of The Rosen Law Firm PA and Joe Kendall of Kendall Law Group PLLC.

CS Disco and Camara are represented by Hailey L. Suggs and Peter D. Kennedy of Graves Dougherty Hearon & Moody PC and Patrick E. Gibbs, Brett De Jarnette, Ashley K. Corkery and Tijana Brien of Cooley LLC.

The case is Gambrill v. CS Disco Inc. et al., case number 1:24-cv-00028, in the U.S. District Court for the Western District of Texas.

Judge Sets 2027 Trial For Zillow Home-Flipping Investor Suit

law360.com/articles/2498123/judge-sets-2027-trial-for-zillow-home-flipping-investor-suit-

(July 7, 2026, 4:53 PM EDT)-- A Washington federal judge has scheduled a September 2027 trial date in a class action from investors accusing Zillow of concealing the true performance of its house-flipping business, Zillow Offers.

U.S. District Judge Thomas S. Zilly on Monday set a trial in the case for Sept. 13, 2027, with discovery motions due by Dec. 4. Judge Zilly in August 2024 **certified a class of investors** in the lawsuit accusing Zillow executives of hiding flaws in a pricing model for its home-buying and -selling platform.

The investors claim Zillow Offers failed to account for changes in the 2021 housing market when the company offered to buy homes so that it could renovate and resell them.

Judge Zilly in February lifted a stay in the case after the Ninth Circuit unanimously rejected a bid by Zillow to overturn certification of the class of investors.

The investors argue the company in late 2020 and early 2021 realized its algorithm for Zillow Offers was bidding too low on houses to keep up with a hot housing market. In an effort to respond — called "Project Ketchup" — executives raised offer prices by as much as 8% while cutting payments to contractors and limiting the scope of renovations, according to the investors' lawsuit.

Executives, however, touted improvements to the company's algorithm, along with operational improvements, as the source of the changes to Zillow Offers, the investors noted. Yet an October 2021 report from RBC Investment Bank showed the company had slashed asking prices for homes in Phoenix in a sign Zillow likely had a significant number of properties for which it had overpaid.

By November 2021, it became clear that Project Ketchup had been an overcorrection that stuck Zillow with thousands of homes worth less than it had paid, causing millions of dollars in losses, the investors claim. The company shut down Zillow Offers that month.

Jeremy Jaeger is serving as class representative in the case, with Hagens Berman Sobol Shapiro LLP as class counsel and Kessler Topaz Meltzer & Check LLP as local class counsel.

Counsel for the investors declined to comment on Tuesday. Counsel for Zillow did not immediately respond to requests for comment.

Jaeger is represented by Steve W. Berman, Catherine Y.N. Gannon, Sean R. Matt, Lucas E. Gilmore and Raffi Melanson of Hagens Berman Sobol Shapiro LLP and Stacey M. Kaplan, Gregory M. Castaldo and Evan R. Hoey of Kessler Topaz Meltzer & Check LLP.

Zillow and its executives are represented by Sean C. Knowles of Perkins Coie LLP and Peter B. Morrison, Raza Rasheed, Manuel F. Cachan, Virginia F. Milstead and Winston Hsiao of Skadden Arps Slate Meagher & Flom LLP.

The case is Jaeger v. Zillow Group Inc. et al., case number 2:21-cv-01551, in the U.S. District Court for the Western District of Washington.

GM, Drivers Tell 6th Circ. Opt-Outs Delaying $150M Settlement

(July 7, 2026, 5:47 PM EDT)-- General Motors and class members who secured a $150 million settlement in a class action over alleged fire risks in the Chevrolet Bolt on Tuesday asked the Sixth Circuit not to let a small group of drivers opt out of the deal — or hold it up in their attempts to do so.

The class action was brought against GM by drivers of model year 2017-2022 Chevy Bolts who claimed a defect caused some vehicles to spontaneously catch fire.

The settlement took five years of litigation to come to fruition, and now class members and General Motors claim that a small group of class members whose opt-out requests were ruled invalid are delaying payouts to class members by challenging that lower court ruling.

General Motors and the class members awaiting settlement payments are urging the Sixth Circuit to uphold the district court's decision that opt-outs submitted by a small group of class members cannot be recognized because they did not follow the proper procedure as stipulated in the settlement agreement.

"By delaying distribution of the settlement, appellants are now prejudicing the thousands of class members who did comply with the district court's orders," the plaintiffs stated in their brief.

Both GM and the class members said the settlement agreement contained detailed, mandatory opt-out instructions — class members wishing to opt out were to do so in writing with a document signed individually by them in "wet ink," not electronically. The agreement also allegedly stated that no group opt-out documents or those signed by a representative of a class member, such as an attorney, would be accepted.

Class members choosing to opt out were given 150 days to do so, according to GM and the class members, who added that those who missed the deadline or attempted to opt out using a method other than what was mandated would not be opted out.

"The delay is very substantial and unfortunate," counsel for the plaintiffs E. Powell Miller told Law360. "Tens of thousands of class members would likely have been paid by now, or very soon."

The group of appellants who submitted electronically signed documents claim their opt-outs "provided adequate notice to defendants of their desire to opt out of the settlement" and that they did not "receive adequate notice of the wet-signature requirement."

According to the plaintiffs' brief, during a May 2025 district court hearing, the settlement administrator reported that 2,528 requests for exclusion had been received, which represented less than 2% of the class. Of those, 1,820 were properly submitted and deemed valid.

In their brief, the plaintiffs said this small group of class members who failed to follow instructions in the settlement agreement have delayed distribution by "many months" for "the thousands of class members who complied with the district court's orders."

"Appellants and their counsel offer no excuse as to why they could not follow these instructions, especially after the district court entertained motion practice and ruled on this precise issue nearly four months before the opt-out deadline," the plaintiffs wrote in their brief.

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

The plaintiffs are represented by E. Powell Miller and Dennis A. Lienhardt of The Miller Law Firm and Gretchen Freeman Cappio and Ryan McDevitt of Keller Rohrback LLP.

General Motors is represented by Andrew J. Pincus, Carmen N. Longoria-Green, John Nadolenco and Daniel D. Queen of Mayer Brown LLP.

LG Electronics is represented by Michael J. West of Hogan Lovells Cadwalader US LLP and A. Michael Palizzi of Miller Canfield PLC.

LG Energy Solution Ltd., LG Chem Ltd. and LG Energy Solution Michigan Inc. are represented by Mark Mester and Jason Burt of Latham & Watkins LLP.

The case is Altobelli et al. v. General Motors LLC, case number 26-1081, in the U.S. Court of Appeals for the Sixth Circuit.