Business & Practice

Apple Fails to Get All AI Voice Training Suits Under Same Judge

July 23, 2026, 8:37 AM PDT

Apple Inc. lost its bid to reassign to a single judge eight related lawsuits accusing major tech companies of violating biometric privacy laws by using people's voices to train AI without their permission.

The nine cases have different defendants and different defense attorneys who will likely raise different arguments, Judge April M. Perry of the US District Court for the Northern District of Illinois ruled Wednesday.

The cases were brought by journalists, podcasters, and narrators against a host of tech giants, including Apple, Nvidia Corp., Microsoft Corp., Amazon.com Inc., and Meta Platforms Inc..

The suits are part of a growing wave of litigation accusing tech companies of scraping voices, faces, and other personal data without consent to train AI programs.

Plaintiffs have turned to Illinois' Biometric Information Privacy Actas a novel tool in that fight, which could allow them to sidestep fair use defenses common in copyright cases over AI training data. In 2021, Meta's Facebook Inc. and TikTok Inc. paid $650 million and $92 millionrespectively to settle BIPA claims over their use of facial recognition technology.

In its July 21 motion, Apple argued that the cases should be reassigned to a single judge because "the legal and factual issues presented by all nine cases overlap substantially." The company pointed to shared questions about whether whether an alleged failure to publicly disclose how AI models are trained constitutes an unfair or deceptive practice under Illinois consumer protection statutes.

Apple argued it would be "extraordinarily inefficient" for seven assigned judges to independently learn complex technical concepts like AI model training and development and biometric processing.

But Perry disagreed, ruling that cases aren't reassigned "just because they raise the same legal theories."

Apple itself acknowledged case-specific facts and nuances, which presumably exist because each defendant is using different proprietary technology, the judge said. "This means the cases are not susceptible of disposition in a single proceeding," she said.

“While allowing the eight other cases to proceed before different judges may very well result in inconsistent rulings, this judge does not agree with the concept that inconsistent rulings by district courts on novel legal theories is a bad thing,” Perry said. “Different perspectives by district judges helps develop the law and aids the appellate court when the time comes for it to actually make law.”

Judge Sharon Johnson Coleman is overseeing the case against Apple; Judge Steven Seeger is overseeing the cases against Eleven Labs Inc., Meta, and Microsoft; Judge Thomas M. Durkin is overseeing the case against Nvidia; Judge Jorge L. Alonso is overseeing the case against Amazon; Judge Jeremy C. Daniel is overseeing the case against Samsung Electronics Co.; and Judge John Robert Blakey is overseeing the case against Adobe Inc.

Loevy & Loevy represents the plaintiffs in all nine suits. Gibson, Dunn & Crutcher LLP and Neal Gerber & Eisenberg LLP represent Apple.

The case is Marin v. Alphabet Inc. , N.D. Ill., No. 1:26-cv-05436, minute entry 7/22/26 .

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Ernst & Young faces class action over IT platform data breach | Secondary Sources | National

(July 23, 2026) - Ernst & Young LLP failed to protect sensitive financial and tax information compromised in a data breach of its IT support platform, a proposed class-action lawsuit alleges.

Wyatt v. Ernst & Young LLP, No. 26-cv-6108, *complaint filed* (S.D.N.Y. July 20, 2026).

Markishi Wyatt filed the suit July 20 in the U.S. District Court for the Southern District of New York, seeking to represent a proposed nationwide class of those affected by the data breach.

EY is a "Big Four" accounting and consulting firm that employs more than 400,000 people in more than 150 countries, the complaint says.

The lawsuit follows a July 13 notification from EY that an unauthorized third party had breached a support ticket platform used by its IT staff between March 28 and April 12.

"Support tickets submitted through the platform may include documents containing client tax information," EY said in its notification letter.

Wyatt's complaint adds that the hackers also may have downloaded personally identifiable information including documents tied to individuals' investment holdings with EY's institutional clients.

While the total number of those affected is unknown, the complaint estimates it is in the "tens/hundreds of thousands" and says the exposed data likely includes names, addresses, Social Security numbers and financial account numbers.

The suit alleges EY was negligent by failing to implement adequate security measures to safeguard the sensitive PII it collected from clients.

Wyatt has suffered injury in the form of lost time dealing with the consequences of the breach, increased anxiety, and the imminent risk of identity theft and fraud, the complaint says.

The complaint says EY's failure to maintain reasonable data security is an "unfair practice" that violates its duties under federal and state laws, including the Federal Trade Commission Act, View more Negative Treatments15 U.S.C.A. § 45.
Wyatt, represented by attorneys from Yagman PLLC and Laukaitis Law LLC, brings claims for negligence, breach of implied contract and unjust enrichment. He seeks damages, attorney fees and costs.

Federal Circuit Keeps in Place Sanction Against Patent Law Firm

The Federal Circuit upheld a $23,219 sanction against a law firm representing a patent owner in an infringement suit against CHI Overhead Doors Inc.

A federal judge in Urbana, Ill., awarded double that amount as a sanction against FrenchPorte IP LLC and its one-time firm Moarbes LLP for failing to comply with obligations to provide information to CHI as part of discovery in the case.

On appeal, Moarbes argued it was made partially liable because the district court had impermissibly relied on an ex-parte letter FrenchPorte's CEO Ken Maher sent the court while it was deliberating over the sanctions amount.

But Moarbes' position is "untenable" as the "district court expressly stated that it had 'not considered [Mr.] Maher's letter,'" when it found the firm and the client equally responsible for the fee award, wrote Judge Sharon Prost in a nonprecedential opinion issued Thursday by the US Court of Appeals for the Federal Circuit.

When Maher's letter hit the district court docket it caught CHI's legal team at Kirkland & Ellis as well as Moarbes' principal Geoffrey Mason off guard, according to email correspondence between the two sides filed when Moarbes sought to strike the letter from the case.

Mason told a Kirkland lawyer that he thought Maher might've filed the letter, which was initially identified as sealed but whose authorship was unknown. Maher had previously told Mason that "I'm going to appeal and I'm going to bring you down" and also made efforts to secure replacement counsel, Mason also said in the email exchange.

On appeal, Moarbes contended the Maher letter influenced the lower court's thinking, as evidenced in part by the judge's refusal to strike it from the docket.

Still, Prost wrote that the Illinois judge relied on other facts, based on Moarbes' representation in the case.

Judges Jimmie V. Reyna and Leonard P. Stark joined the opinion.

The case is FrenchPorte IP LLC v. CHI Overhead Doors Inc. , Fed. Cir., 25-1186, 7/23/26 .

Google Fined $1B Over Breaches of EU Digital Markets Act

law.com/international-edition/2026/07/23/google-fined-1b-over-breaches-of-eu-digital-markets-act-

The European Commission has fined Google €890 million (just over $1 billion) for breaching its obligations under the EU's Digital Markets Act.

The agency confirmed two separate non-compliance decisions against the tech company today, resulting in the largest combined infringement penalty being issued to a single designated gatekeeper under the DMA to date.

It fined Google €460 million for infringing the DMA's self-preferencing rules by unfairly advantaging its own flights, shopping, sports and hotels services over those of its rivals in its online search results. Google must also pay a €430 million fine for breaching the DMA's steering provisions after the company prevented app developers from freely promoting offers or using alternative storefronts to Google Play.

Google was counseled by Kirkland & Ellis partners Thomas Graf in Brussels and Henry Mostyn in London.

The DMA restricts designated gatekeepers from treating their own services more favourably than those of their rivals, including in rankings. But Google displays its own services more "prominently" in its search results by placing them at the top of the page, while implementing enhanced visuals and filters that are unavailable to third-party alternatives, the commission said.

Despite issuing the fines, the commission said Google has made "good progress" towards complying with the DMA, having rolled out changes to its steering terms and begun testing changes to its search services. The commission said it will continue its dialogue with the tech company following today's non-compliance findings.

The enforcer previously fined Apple €500 million for breaching its DMA obligations in April 2025. It also ordered Meta to pay a separate €200 million penalty on the same day.

It launched non-compliance probes into Google, Apple and Meta two weeks after the DMA took effect in March 2024. The commission warned at the time that Google may have breached the DMA's steering and self-preferencing rules.

Under the DMA, developers that distribute their apps on Google Play must be able to inform their customers of alternative offers and direct them to rival websites or app stores.

The watchdog originally planned to close the probes within 12 months, but reports emerged earlier this year that Ursula von der Leyen, president of the European Commission, had personally delayed the infringement decision against Google.

Several organisations, including the European Consumer Organisation and the European Federation of Journalists, subsequently called out the president, warning that political interference “compromises the goals and the efficient enforcement” of the EU’s digital competition rules.

The commission is continuing to progress a separate non-compliance investigation into Google for potentially falling afoul of the DMA through its online spam policy.

Last week, it adopted binding measures mandating how Google must implement the DMA’s interoperability requirement by ordering it to grant rival artificial intelligence service providers equal access to features on Android devices.

Elsewhere, the U.K.’s Competition and Markets Authority is seeking views on potentially binding requirements for Google and Apple to allow U.K. app developers to steer customers to complete payments outside their respective app stores under the country’s Digital Markets, Competition and Consumers Act.

Last month, the CMA confirmed that Google will give publishers “effective tools” to prevent their content from appearing in the company’s AI Overviews results at the top of its search pages, as part of a “world-first” on its Search business.

Kent Walker, Google’s president of global affairs, said in response that the commission’s enforcement of the DMA is harming popular products and services.

“This implementation of the DMA continues to break everyday products. To comply, we are having to strip away real-time Search features Europeans love—like instant pricing and direct availability for hotels, flights, and restaurants—and dismantle safety protections on Google Play,” he said.

“This isn't fair competition; it's product degradation driven by a small group of self-serving complainants, with European businesses and consumers taking the hit. Regulation should improve products, not make them worse.”

Google is understood to be reviewing the commission’s non-compliance decisions, while evaluating a potential appeal.

Litigators of the Week: In Boeing Case, Fourth Circuit Says Class Cert Orders Should Not Be 'Like Participation Trophies'

law.com/litigationdaily/2026/07/24/litigators-of-the-week-in-boeing-case-fourth-circuit-says-class-cert-orders-should-not-be-like-participation-trophies

Our Litigators of the Week are **Jeffrey Wall** of **Gibson, Dunn & Crutcher** and **Richard Pepperman II** of **Sullivan & Cromwell**, who represent Boeing in a securities case where investors are targeting dozens of statements the company made in the years following deadly crashes involving two 737 Max airplanes.

The U.S. Court of Appeals for the Fourth Circuit this week vacated an order certifying a class of Boeing investors. In a decision that heavily cited the U.S. Supreme Court's 2013 decision in *Comcast Corp. v. Behrend*, a Fourth Circuit panel held that the plaintiffs hadn't shown how class-wide damages would be calculable in a manner consistent with their theory of liability.

"Rather than offering a methodology, the plaintiffs provided only a legal description of damages. For a securities fraud case, that's effectively saying that they are seeking compensatory damages," wrote Circuit Judge A. Marvin Quattlebaum Jr., on behalf of the panel.

"Under *Comcast*, certification orders are not like participation trophies that are handed out to everyone on the tee ball team," he wrote.

Litigation Daily: What was at stake for Boeing in this appeal?

Rick Pepperman: Plaintiffs filed this class action alleging billions of dollars in damages. In *Comcast*, the Supreme Court held that plaintiffs need to have a class-wide method to calculate damages before they can certify a class. Class certification nevertheless has gotten too easy in many securities cases, and certification is often the ballgame because it generates such pressure to settle. Many plaintiffs haven't taken *Comcast*'s requirements seriously, but the Fourth Circuit correctly said it's not a box-checking exercise. It's a real burden that securities plaintiffs must satisfy before they can certify a class.

How did this matter come to you and your firms? Jeff, I'm guessing that your move to Gibson Dunn had something to do with there being multiple firms involved here.

Jeff Wall: Rick has been representing Boeing for years. When the case was filed, he took the lead in the trial court, including fact and expert discovery and then briefing and arguing plaintiffs' class-certification motion. I got more involved when we appealed the class-certification order, but still working very closely with Rick and Boeing's in-house lawyers, who were deeply involved in the briefing and strategy. We often talk about a team effort, but this truly was. Rick and I spent a lot of time talking about the briefs and trading edits. The S&C team prepared me for the argument, and Rick and I were talking about the case right up until the judges took the bench.

At a high level, what did you view as the single biggest legal error in the district court's certification ruling?

Pepperman: In securities cases like this, it has become common for plaintiffs simply to say that they want "out of pocket" damages. That’s what plaintiffs did here. They wrongly persuaded the district court that merely saying out-of-pocket damages is enough. In *Comcast*, however, the Supreme Court held that plaintiffs need an actual methodology for measuring damages on a class-wide basis.

The Fourth Circuit repeatedly emphasized that plaintiffs must present a damages methodology that aligns with their liability theory. When did you realize that the alleged mismatch between those two concepts would become the centerpiece of your appeal?

Wall: The Supreme Court said three key things in *Comcast* and the Fourth Circuit followed all of them. First, plaintiffs need an actual damages methodology, backed up by evidentiary proof. Second, plaintiffs need that methodology before class certification. Otherwise, a district court can't know whether there is a way to measure damages class-wide and thus whether plaintiffs satisfy Rule 23's predominance requirement. Third, if plaintiffs offer a methodology, it must be consistent with their liability theory. Here, as the Fourth Circuit held, plaintiffs failed to do all three things.

This appeal appears to have turned on what could sound to non-specialists like an abstract dispute over damages modeling. How did you make those concepts accessible for a panel that had to understand both securities law and economic methodology?

Wall: This appeal wasn't about economic jargon; it was about common sense. To have a class action, common issues have to predominate over individual ones. We were clear in our briefs and at argument that the plaintiffs didn't need to put on a green eyeshade and do the actual math. They instead had to offer a workable formula that was consistent with their liability case. And they never did that.

During argument, Judge Richardson seemed particularly interested in whether a court can evaluate consistency under *Comcast* without first identifying the operative liability theory. One theme running through your briefing and argument was that plaintiffs

never actually committed to a damages methodology before certification. Why was that timing issue so important from a Rule 23 standpoint?

Pepperman: Plaintiffs often put the cart before the horse in these cases. They are vague at class certification about things like their damages methodology, so as not to hamstring them on the merits or limit potential damages. This case is a perfect example. Only after the class was certified did plaintiffs and their expert offer a constant-inflation methodology. But as *Comcast* held and the Fourth Circuit reiterated, plaintiffs have to offer their damages methodology before class certification.

Jeff, looking back at the oral argument, was there a particular question that signaled the court was focused on the issues you most wanted to highlight?

Wall: What stands out is how prepared the entire panel was from the jump. The judges had read the class certification papers, the district court transcripts and even the expert reports cover to cover, and they dove right in with both me and plaintiffs' counsel, **Deepak Gupta**, who is a leading appellate lawyer. As an advocate, that's the best feeling: when judges know the case as well as you do, and you can go straight to high gear.

Rick, Sullivan & Cromwell has handled many major securities matters. Where does this decision fit in terms of its potential significance for future class-certification battles?

Pepperman: This decision will require securities plaintiffs to take *Comcast* seriously. I also represented BP in the securities litigation filed after the Deepwater Horizon explosion. That case raised many of the same *Comcast* issues and resulted in an important opinion from the Fifth Circuit that the Fourth Circuit relied on here. Interestingly, Jeff mooted me for that Fifth Circuit argument back in 2015. We've been at this a long time!

What lessons should corporate defendants and their counsel take from the Fourth Circuit's insistence on a rigorous examination of damages methodology at the certification stage?

Pepperman: Defendants should be encouraged to vigorously oppose class certification in securities cases. The Fourth Circuit's decision provides a roadmap by articulating *Comcast*'s separate requirements, which plaintiffs need to take seriously.

Class Action

Li Auto Investors Drop Lawsuit Alleging Overstated EV Demand

July 23, 2026, 7:06 AM PDT

Li Auto Inc. investors released the Chinese electric vehicle maker from allegations that it overhyped financial projections for its first fiscal quarter of 2024 while hiding issues with the rollout of its first rapid-charging battery EV.

There's no settlement tied to this voluntary dismissal with prejudice, the investors told the US District Court for the Eastern District of New York Wednesday. Their counsel earlier this month requested additional time from Judge Diane Gujarati to think about how to proceed given "the significance of the issues discussed at oral argument" over Li Auto's bid to toss the proposed class action.

The proposed class would've included US investors who acquired Li Auto securities from Feb. 26, 2024, to May 20, 2024

The automaker allegedly failed to alert investors that it diverted attention from its more successful vehicle line and that its supercharging network wasn't advancing quickly enough for its new model

On May 20, 2024, Li Auto revealed it had delivered fewer vehicles in the first fiscal quarter than it previously forecasted, and its American depositary share price sank almost 13% to close at $21.71

The Rosen Law Firm PA was lead counsel for the investors. Skadden, Arps, Slate, Meagher & Flom LLP represents Li Auto. Neither of these law firms nor Li Auto immediately responded to emails seeking comment.

The case is Banurs v. Li Auto Inc. , E.D.N.Y., No. 1:24-cv-03470, voluntarily dismissed 7/22/26 .

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Mealey's Litigation Procedure - AI Privacy Suit Against Google Dismissed For Lack Of Alleged Specific Harm

Mealey's Daily News Update

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Body

Ruling that users of three Google LLC services failed to show an injury arising from an allegation that the company activated its Gemini artificial intelligence (AI) bot without their knowledge or consent, a California federal judge dismissed their amended class action complaint with leave to amend (Thomas Thele, et al. v. Google LLC, No 25-9704, *N.D. Calif., 2026 U.S. Dist. LEXIS 150000*).

(Order granting dismissal available 97-260724-085R)

Judge No l Wise issued the order on July 7 in the U.S. District Court for the Northern District of California, holding that plaintiffs Thomas Thele and Melo Porter lacked standing under Article III of the U.S. Constitution, U.S. Const. art. III, to file suit against Google because in addition to their failure to show injury, their alleged injury was not fairly traceable to Google's conduct and they failed to allege any intrusion into their private affairs.

Thele filed his initial class action complaint on Nov. 11, 2025, before filing an amended class action complaint with Porter the following day.

Automatic AI Tracking

In the amended complaint, the plaintiffs alleged that Google "secretly turned on" Gemini for all Gmail, Google Chat and Google Meet accounts without users' knowledge or consent, permitting the AI to track private communications on those platforms.

The plaintiffs wrote, "As of the date of this filing, Google continues to track these private communications with Gemini by default, requiring users to affirmatively find this data privacy setting and shut it off, despite never 'agreeing' to such AI tracking in the first place."

Asserting that "Google's deceptive and outrageous conduct violates its users' reasonable expectations of privacy," the plaintiffs said that Google violated the California Invasion of Privacy Act (CIPA), Cal. Pen. Code 630, et seq.; the California Computer Data Access and Fraud Act (CDAFA), Cal. Pen. Code 502, the Stored Communications Act (SCA), *18 U.S.C. 2701, et seq.* and California's right to privacy under Article I, Section 1, of the California Constitution, Cal. Const. art. I 1. The plaintiffs also brought a claim for intrusion upon seclusion.

They proposed a class comprising all individuals in the U.S. with Google accounts whose private communications in Gmail, Google Chat or Google Meet were tracked by Gemini after the company turned the function on.

No Specific Allegations

Google on Jan. 21 moved to dismiss the amended class action complaint under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6), Fed. R. Civ. P. 12(b)(1) and 12(b)(6), first arguing that the plaintiffs failed to allege that any specific communication of theirs was ever accessed or misused.

Citing *Lujan v. Defenders of Wildlife, 504 U.S. 555 (1992)*, and *TransUnion LLC v. Ramirez, 594 U.S. 413 (2021)*, Google asserted that the plaintiffs did not provide the "'irreducible constitutional minimum'" to establish standing under Article III.

Then referencing *Kishnani v. Royal Caribbean Cruises Ltd., 2025 U.S. Dist. LEXIS 120002*, Google noted that in privacy cases, plaintiffs must identify a specific form of personal information that was disclosed and implicate a protectable privacy interest.

With those parameters for standing established, Google wrote that in their amended complaint, the plaintiffs "state that certain allegedly protectible categories of information 'could be determined' by access to their communications" but stopped short of alleging that any such information was implicated.

Facts Not Pleaded

Aside from the alleged lack of Article III standing, Google further posited that each of the plaintiffs' claims independently fails for a failure to plead facts necessary to state essential elements of their claims.

As to the plaintiffs' CIPA claim, Google argued that the plaintiffs did not allege "'particular'" circumstances as required under *Revitch v. New Moosejaw, LLC, 2019 U.S. Dist. LEXIS 186955*, because they declined to "provide any detail concerning the confidentiality of their communications-or any allegations concerning specific communications at all."

Moving to the intrusion-upon-seclusion claim, Google wrote that the plaintiffs did not establish that they suffered a form of intrusion because they did not allege an "'objectively reasonable expectation'" that Google would not have access to its own services, citing *In re Google Assistant Privacy Litig., 457 F. Supp. 3d 797 (N.D. Cal. 2020)*. Google said that the plaintiffs' constitutional claim fails for the same reason, noting that under *Hammerling v. Google, Ltd. Liab. Co., 2024 U.S. App. LEXIS 5253*, courts may consider claims together when they are gauged on a similar basis.

Google then addressed the plaintiffs' CDAFA claim, asserting that it was authorized access to the plaintiffs' Gmail, Google Chat and Google Meet communications. Google cited *Perkins v. LinkedIn Corp., 53 F. Supp. 3d 1190 (N.D. Cal. 2014)*, to state that under CDAFA, courts in the Northern District of California have held that access is only "'without authorization'" if the defendant "'circumvent[s] technical or code-based barriers in place to restrict or bar a user's access.'"

Finally, Google cited *In re Yahoo Mail Litig., 7 F. Supp. 3d 1016 (N.D. Cal. 2014)*, to state that it provided the electronic communication service at issue and therefore cannot be held liable as to the plaintiffs' SCA claim.

'Violates Social Norms'

The plaintiffs responded in opposition on Feb. 25, stating that "Google's conduct plainly violates CIPA, which prohibits the use of 'an electronic amplifying or recording device to eavesdrop upon or record [a] confidential communication.'"

They argued that Google similarly violated provisions of CDAFA against "'knowingly accessing and without permission . . . us[ing] any data . . . to wrongfully control or obtain money, property, or data'" or to "'take, copy, or make use of any data from a computer.'"

With respect to their California constitutional claim, the plaintiffs maintained that they provided academic research and articles from media outlets supporting that Google's AI monitoring of communications is a violation of their right to privacy.

The plaintiffs wrote, "Plaintiffs' allegations are as specific as they are plausible, and Plaintiffs should be afforded an opportunity to engage in discovery to uncover the full extent of Google's unauthorized surveillance and to explain to a jury that Google's conduct so egregiously violates social norms as to be actionable under constitutional, statutory, and common law."

Lack Of Standing

In her July 7 ruling, Judge Wise noted that the basis of the plaintiffs' amended complaint is an alleged intrusion into their private affairs. She determined that they failed to allege such harm with adequate specificity. She referenced Ninth Circuit precedent in *Popa v. Microsoft Corp., 153 F.4th 784 (9th Cir. 2025)*, in which that court held plaintiffs are required to "'demonstrate more than just a statutory violation'" for purposes of alleging a concrete injury.

Specifically, the judge wrote that the plaintiffs did not allege when they signed up for Google services, whether they used Google services before October 10, 2025, what the basis is for the Oct. 10, 2025, date referenced in their complaint, whether they were notified of Google's privacy policies when they signed up for Google services, whether the Gemini features were present when they made Google accounts or whether they have since disabled Gemini features.

Judge Wise said, "Simply, there is no indication from Plaintiffs that Gemini services were not already 'on' as a default feature before October 10, 2025, or even when Plaintiffs began using their Google products."

Moreover, Judge Wise held that the plaintiffs failed to allege that their own data was compromised by Gemini tracking or plead that their data was being used by Gemini for targeted advertisements, personalized suggestions or other changes in their services.

Counsel

The plaintiffs are represented by Tina Wolfson, Robert Ahdoot, Theodore W. Maya and Alyssa D. Brown in Burbank, Calif., and Bradley K. King in New York, all of Ahdoot & Wolfson PC.

Google is represented by Laura E. Harris, Benjamin S. Softness and Zachary A. McEntyre of King & Spalding LLP in New York.

(Additional documents available: Google's motion to dismiss 97-260724-086M

Plaintiffs' response in opposition 97-260724-087B

Google's reply 97-260724-088B

Plaintiffs' amended class action complaint 97-260724-089C)

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Mealey's Litigation Procedure - In Another PRT Appeal, DOL Again Urges Reversal Of Standing Finding

Mealey's Daily News Update

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Body

Making the same key arguments it did in January in a similar interlocutory appeal, the U.S. Department of Labor (DOL) filed an amicus curiae brief urging the Second Circuit U.S. Court of Appeals to reverse a ruling that retirees had standing to file a putative class lawsuit that is part of a much-watched string of pension risk transfer (PRT) challenges; among other things, the retirees generally allege that the use of offshore captive reinsurers makes the insurers now responsible for paying their annuities more likely to fall short of their obligations (Charles Doherty, et al. v. Bristol-Myers Squibb Company, et al., No. 26-1021, 2nd Cir.).

(DOL's amicus brief available 54-260810-057B)

In the July 21 amicus brief, the DOL says, "Over the last three decades, no annuity selected in a PRT transaction has defaulted or failed" but "participants and beneficiaries who remained in employer-run pension plans have lost at least $ 8.5 billion because their employers were not able to fully fund their plans and the Pension Benefit Guaranty Corporation's minimum guarantee did not cover all of the funding shortfall."

The DOL also asserts that "[t]he magnitude of this case and these issues are hard to overstate," opining that if companies didn't have a meaningful way to reduce the financial risk that their pension plans entail by engaging in PRTs, they would be much less incentivized to provide such benefits.

The appellants - Bristol-Myers Squibb Co. and two of its committees (collectively, BMS) and independent fiduciary State Street Global Advisors Trust Co. (State Street) - filed a combined opening brief on July 15, and State Street also filed a notice of joinder on July 21. In addition to the DOL, four other entities or groups of entities filed amicus briefs supporting the appellants and reversal.

(BMS, et al's opening brief with attachments available 54-260810-058B

State Street's notice of joinder available 54-260810-059X

Chamber's amicus brief available 54-260810-060B

ERIC, et al's amicus brief available 54-260810-061B

Iowa, et al's amicus brief available 54-260810-062B

ACLI's amicus brief available 54-260810-063B)

Those other amicus briefs came from the Chamber of Commerce of the United States of America; the ERISA Industry Committee (ERIC), the American Benefits Council and the Committee on Investment of Employee Benefit Assets Inc.; Iowa and 12 other states (Alabama, Alaska, Arkansas, Idaho, Indiana, Kansas, Louisiana, Montana, Nebraska, Oklahoma, Tennessee and Texas); and the American Council of Life Insurers (ACLI).

Conflicting Rulings, Appeals

Since March 2024, at least a dozen cases challenging PRTs have been filed under the Employee Retirement Income Security Act, *29 U.S.C. 1001 et seq.*, with some of them subsequently consolidated. The defendants are sponsors, administrators and independent fiduciaries of the ERISA plans that offloaded pension obligations to insurers through the PRTs, not the insurers themselves.

Like the one at hand, most of the cases concern PRTs with Athene Annuity and Life Co. and Athene Annuity & Life Assurance Company of New York (together, Athene).

Judges addressing dismissal motions in the cases have reached varying conclusions, differing primarily on whether the plaintiffs have standing under Article III of the U.S. Constitution, U.S. Const. art. III, but also on whether they stated their claims.

The similar interlocutory appeal the DOL also supports is Bruce Konya, et al. v. Lockheed Martin Corporation, No. 25-2061, 4th Cir., where briefing has concluded and oral argument is scheduled for Sept. 16. The ruling at issue there is Konya v. Lockheed Martin Corp., No. 24-750-*BAH, 2025 U.S. Dist. LEXIS 59630 (D. Md. Mar. 28, 2025)*.

Briefing has not yet started in an appeal of a ruling that retirees in a similar case lacked Article III standing. That appeal is docketed at Camire, et al. v. Alcoa USA Corp., et al., No. 26-7035, D.C. Cir., and concerns a March 2025 dismissal ruling - Camire v. Alcoa USA Corp., Civil Action No. 24-1062 (*LLA), 2025 U.S. Dist. LEXIS 59307 (D.D.C. Mar. 28, 2025)* - and a subsequent February 2026 order denying a motion to alter or amend the judgment and for leave to file an amended complaint (*2026 U.S. Dist. LEXIS 37735*).

Claims, Challenged Ruling

Here, the operative November 2024 complaint was filed following consolidation of two similar cases. The named plaintiffs are Bristol retirees Charles Doherty and Michael J. Noel.

In the September 2025 ruling at issue (*2025 U.S. Dist. LEXIS 192253*), U.S. Judge Margaret M. Garnett of the Southern District of New York largely declined to dismiss the case, ruling that retirees have standing because they sufficiently alleged that the PRT "created a substantial risk that Plaintiffs will not receive their benefits" and "diminished the value of Plaintiffs' benefits."

Overall, the judge granted dismissal of three of the five prohibited transaction claims the retirees asserted, ruling that the other 10 claims survive. The other remaining claims are for breach of fiduciary and co-fiduciary duties and knowing participation in a fiduciary breach.

Judge Garnett did not address a decision handed down just days earlier in which U.S. Judge Glenn T. Suddaby of the Northern District of New York dismissed a similar case without prejudice for failure "to plausibly allege any injury-in-fact sufficient to establish standing." That decision was Bueno v. GE, No. 1:24-CV-0822 (*GTS/DJS), 2025 U.S. Dist. LEXIS 189475 (N.D.N.Y. Sep. 24, 2025)*, and on June 26 Judge Suddaby declined to alter or amend his earlier ruling or to allow a second amended complaint (*2026 U.S. Dist. LEXIS 154241*).

Briefs Supporting Reversal

In their opening brief, BMS and State Street argue that the retirees didn't "identify any present injury" but were wrongly allowed to proceed based on a "theory of future harm" that "is built on a long chain of possibilities, each of which is speculative and depends on the actions of third parties. The Supreme Court and other courts have repeatedly rejected similarly attenuated theories of possible future injury, emphasizing that Article III requires a current or certainly impending and imminent future harm."

Specifically, the appellants contend that the retirees "do not allege that any payment has been missed, reduced, or even threatened. And whether they win or lose this lawsuit, they will continue to receive the same fixed monthly benefits payments for the same period of time."

Citing *Thole v. U.S. Bank N.A., 590 U.S. 538 (2020)*, the appellants say that decision "made clear that a participant in a defined-benefit pension plan is entitled to a stream of payments but has no right to a particular level of security backing that stream. Here, neither the PRT nor the choice of Athene as the annuity provider changed the amount or duration of those payments. Plaintiffs therefore cannot demonstrate any current harm that would establish Article III injury."

Among other things, the DOL in its amicus brief addressed its 1995 Interpretive Bulletin 95-1 (IB 95-1), *29 C.F.R. 2509.95-1*, IB-95, which has figured largely in the complaints of the various retirees in the PRT challenges.

"Because here (and elsewhere) IB 95-1 has been used as a sword in ways that are inconsistent with its text read as a whole, now is the time to clarify that IB 95-1 has never stood either for the proposition that there is necessarily a single safest annuity in all cases or that a PRT fiduciary that otherwise" follows IB 95-1 loyally "can be sued for violating their ERISA duties if they do not choose it," the DOL says.

Counsel

The retirees are represented by Sean E. Soyars of Schlichter Bogard LLP in St. Louis and Bryan M. Reines in Washington and Cyril Smith III and Aaron Simcha Jon Zelinsky in Baltimore, all of Zuckerman Spaeder LLP.

BMS is represented by Sarah E. Harrington, Christian J. Pistilli, Robert S. Newman, Laura Flahive Wu and Sameer Aggarwal in Washington and Charlotte S. Butash in New York, all of Covington & Burling LLP.

State Street is represented by Jaime A. Santos in Washington and James O. Fleckner, Alison V. Douglass and Jesse Lempel in Boston, all of Goodwin Procter LLP.

Amicus Counsel

Amicus the DOL is represented by Solicitor of Labor Jonathan Berry, Associate Solicitor Wayne R. Berry, Edward M. Wenger and Stephen Stasko of the DOL in Washington.

Amicus the Chamber is represented by Michael E. Kenneally in Washington and Colleen A. Gallagher in Philadelphia, both of Morgan, Lewis & Bockius LLP, and Mariel A. Brookins of the U.S. Chamber Litigation Center in Washington.

Amici ERIC, et al. are represented by Ada W. Dolph and Thomas Horan of Seyfarth Shaw LLP in Chicago.

Amici Iowa, et al. are represented by Iowa Solicitor General Eric Wessan and Iowa Attorney General Brenna Bird, both in Des Moines, Iowa.

Amicus ACLI is represented by Kristina N. Holmstrom in Phoenix and Mark E. Schmidtke in Valparaiso, Ind., both of Ogletree, Deakins, Nash, Smoak & Stewart PLLC.

(Additional document availableDistrict Court's opinion and order 54-251008-105Z)

End of Document

Bloomberg Law

Manage Newsletters

Onsemi Gets Investor's Lawsuit Over Sales Stability Shut Down

July 24, 2026, 8:34 AM PDT

ON Semiconductor Corp. is free of a proposed investor class action claiming it misrepresented its enforcement of long-term supply agreements with customers that were meant to stabilize demand.

The investor leading the suit, Jeffery Lew, didn't add anything in the latest version of his complaint that would make previously rejected company statements actionable, Judge Susan M. Brnovich said Thursday for the US District Court for the District of Arizona. And four newly pleaded statements aren't misleading, Brnovich said in dismissing the case with finality.

Lew alleged Onsemi started requiring LTSAs in 2021 to help with supply chain predictability after the Covid-19 pandemic, but didn't enforce them as it claimed to do

A lowered revenue target that Onsemi attributed to an automotive customer's cancellation cased a 22% stock drop in a single day, Lew said

Brnovich dismissed the previous version of the complaint in July 2025, saying the statements weren't objectively verifiable and amounted to inactionable puffery, or expressions of corporate optimism

Levi & Korsinsky LLP was lead counsel for the proposed class of those who obtained Onsemi stock from May 1, 2023, through Oct. 27, 2023. Skadden, Arps, Slate, Meagher & Flom LLP and Osborn Maledon PA represented Onsemi.

The case is Lew v. ON Semiconductor Corp. , D. Ariz., No. 2:24-cv-00594, 7/23/26 .

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Paramount-Warner Bros deal paused through August 17, judge rules

reuters.com/world/paramount-warner-bros-deal-paused-through-august-17-judge-rules-2026-07-23

Jody Godoy July 23, 2026

[1/3]The Warner Bros. Water Tower is pictured at Warner Bros. Studios in Burbank on the day it was announced that California and 11 states are suing to block Paramount's $110 billion acquisition of Warner Bros. Discovery in California, U.S. July 13, 2026. REUTERS/Daniel Cole/File Photo Purchase Licensing Rights, opens new tab

July 23 (Reuters) - Paramount Skydance (PSKY.O), opens new tab must pause its $110 billion acquisition of Warner Bros. Discovery (WBD.O), opens new tab through August 17, a federal judge ruled on Thursday.

The move gives Paramount Skydance more time to argue against a potential months-long pause while the case plays out. The company has said such a prolonged delay would plunge the deal into uncertainty and could cost it more than $1 billion.

A California-led coalition of states have sued to block the deal, saying it would harm competition in film and television, hurting theaters and cable companies. The Writers Guild of America has filed a separate lawsuit alleging the deal would decrease demand for screenwriting work.

U.S. District Judge Araceli Martínez-Olguín in Oakland, California, previously paused the deal through August 3, when she would have held a hearing on whether to postpone the deal's closing for longer.

Paramount has asked for a three-day hearing in August where it can present evidence the deal bolsters competition before the judge decides on a longer pause.

Reporting by Jody Godoy in New York; Editing by Mark Porter and Deepa Babington

Investor, pension funds to lead investor suit against chip software company | Secondary Sources | National

today.westlaw.com/Document/I40eb65df86ca11f18ad3a72a32f040bd/View/FullText.html

(July 23, 2026) - A federal judge has tapped an individual investor and a group of pension funds to co-lead a proposed securities class action alleging that software company Synopsys Inc. fraudulently concealed that its artificial intelligence strategy was harming its financial performance.

The July 21 ruling by U.S. District Judge Eumi K. Lee of the Northern District of California also consolidated three related lawsuits on behalf of a proposed class of investors who acquired Synopsys securities between Dec. 4, 2024, and Sept. 9, 2025.

The lead plaintiffs tapped by the judge are Medhi Vazeen and three pension funds that moved to serve jointly: the Ohio Carpenters Pension Fund, the UA Local 13 Pension Fund, and Sheet Metal Workers' Local No. 80 Pension Trust Fund.

AI impact

The complaints allege that Synopsys and its officers and directors falsely portrayed the company as strong and resilient while concealing that its diversion of resources to artificial intelligence was hurting its fastest-growing business segment, Design IP.

On Sept. 9, 2025, Synopsys announced quarterly financial results, revealing that its IP business had underperformed, according to a complaint. The company's stock price fell nearly 36% the following day, the complaints say.

Two of the suits also include claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, 15 U.S.C. §§77k, View more Negative Treatments77l(a)(2), and 77o, on behalf of former Ansys Inc. shareholders who received Synopsys stock when the company acquired Ansys for $35 billion in July 2025.
Synopsys filed a registration statement for new shares issued in the acquisition with the SEC in March 2024, and a prospectus and proxy statement in April 2024, according to the complaints.

The documents incorporated flawed risk disclosures from Synopsys' public filings, which artificially inflated the value of the stock given to Ansys shareholders, the suits say.

Co-leads to cover all claims

Three movants — Vazeen, the pension funds group, and the City of Sterling Heights Police & Fire Retirement System — filed motions for lead plaintiff appointment.

Vazeen claimed losses of about $980,000, but the pension funds argued that they had the largest aggregate loss — more than $1 million — because they held both Securities Act and Exchange Act claims.

Judge Lee concluded that Vazeen had the greater financial interest because the pension funds' losses were at most "roughly equal" to Vazeen's, given a likely overlap between their Securities Act and Exchange Act claims.

However, the judge appointed the pension funds as co-lead plaintiffs because Vazeen's claims arise only under the Exchange Act. Appointing the pension funds ensures adequate representation of all proposed class members, Judge Lee said.

The judge also rejected as "speculative" an argument from Sterling Heights that an inherent conflict existed between shareholders who acquired Synopsys shares on the open market and those who received them in the Ansys merger.

She also noted that Sterling Heights claimed the least amount of losses.

Securities Class Action Settlements: 2026 Midyear Overview | Business Information & News | FE

In the first half of 2026, there were 39 securities class action settlements totaling $2.2 billion.

If the pace during 2026 H1 continues into the second half of the year, then 2026 will exceed 2025 in the number of cases settled and total settlement dollars, with the projected annual settlement dollars being the highest since 2020. For historical context, in eight of the past nine years, the number of settled cases in the second half of the year exceeded the number in the first half of the year.

The 2026 H1 median settlement of $20.0 million was greater than the historical typical settlement size. The annual median settlement in the prior nine years ranged from $7.7 million to $17.6 million.

There were four mega settlements (of $100 million or greater) accounting for 10% of 2026 H1 settled cases.

In the first half of the year, Health Care was the most active industry sector with 14 settlements, followed by Industrials and Communication Services/Information Technology with seven and six settlements, respectively. These industries accounted for 27 of the 39 settlements (69%) in 2026 H1.

Median plaintiff-style damages for 2026 H1 settlements with Section 10(b) claims was $660 million, larger than the annual medians in the prior nine years. Approximately 36% of these 2026 H1 settlements had plaintiff-style damages greater than $1.5 billion. By comparison, only 14% of settlements between 2017 and 2025 had plaintiff-style damages exceeding $1.5 billion.

The median settlement as a percentage of plaintiff-style damages for the first half of the year was lower than eight of the past nine historical annual medians, consistent with the larger plaintiff-style damages observed in 2026 H1.

Of settled cases with Section 10(b) claims in 2026 H1, 61% involved an accompanying derivative action, and an institutional investor served as lead or co-lead plaintiff in 61% of settlements.

For more information on this topic, please see Securities Class Action Settlements—2026 Midyear Assessment.

The Second Circuit Clarifies When Securities Plaintiffs Face "Heightened Burden" to Plead Loss Causation | Business Information & News | FE

today.westlaw.com/Document/I97296a70878511f1851af4887497c690/View/FullText.html

The Second Circuit recently clarified how securities-fraud plaintiffs must plead loss causation where a company's stock price does not immediately decline following a corrective disclosure. In Huey v. Anavex Life Sciences Corp., --- F.4th ---- , 2026 WL 1838665 (2d Cir. June 26, 2026), the Court affirmed dismissal of a putative securities class action, holding that the plaintiff failed to plausibly allege that the asserted misrepresentation caused her losses.

The decision is notable for two reasons. First, the Second Circuit expressly rejected a categorical rule that securities-fraud plaintiffs can establish loss causation only by showing a loss on the exact day of the corrective disclosure, joining the First, Fifth, and Ninth Circuits in reaching the same conclusion. Second, the Court nevertheless held that, when losses occur after a delay or coincide with broader market declines, plaintiffs bear a heightened pleading burden to allege a plausible connection between the misrepresentation and the loss.

In Huey, the plaintiff alleged that Anavex misled investors by implying that the Food and Drug Administration (FDA) had approved its methodology for evaluating a drug candidate in clinical trials—only to later disclose that it was abandoning that methodology. Although Anavex's stock price increased on the day of that corrective disclosure, the price declined over the next two trading days. The district court granted Anavex's motion to dismiss, holding that the plaintiff's loss-causation allegations fell short. In the district court's view, the initial increase in Anavex's stock price immediately following the corrective disclosure, and delay in the loss, were "dispositive." Id. at *10.

The Second Circuit agreed that the plaintiff failed to plead loss causation. But the Court disagreed with how the district court reached that conclusion.

The Court rejected the district court's apparent suggestion that loss causation can never be pleaded when a stock price initially rises after a corrective disclosure. It explained that "[t]he fact-intensive nature of the loss-causation inquiry is not conducive to such absolutism." Id. at *9. Indeed, a categorical rule is "too crude" to capture certain "fairly common" situations: for example, where the stock price does not go down immediately following the corrective disclosure, but on that day the rest of the market goes up by a huge amount; absent the misrepresentation, "the shareholder would have bought a different security that would have soared." Id. at *8.

That said, the Court continued, where a stock price does not immediately decline following the corrective disclosure—and especially where the alleged losses coincide with broader market declines—a plaintiff bears a "heightened burden" to adequately allege loss causation. Under such circumstances, "the necessary showing at the pleading stage increases—sometimes dramatically," and the plaintiff must do more than simply identify some later price drop. Id. at *10. Instead, the plaintiff must plausibly allege why the loss was not immediate and why the subsequent decline was caused by the corrective disclosure rather than intervening market forces.

That heightened burden doomed the plaintiff's claim. The complaint alleged only that Anavex's stock price declined during the two days following the corrective disclosure. It said nothing about why the market failed to react immediately to the disclosure or why the stock price initially increased. The Court also observed that the two-day decline coincided with broader market losses, further undermining the plausibility of the plaintiff's loss-causation allegations.

Huey offers important guidance for securities litigation in the Second Circuit, providing defendants with a significant tool at the motion to dismiss stage. While the Court declined to adopt a bright-line rule foreclosing securities-fraud claims where the alleged loss does not immediately follow the corrective disclosure, it made clear that plaintiffs must do more than allege the fact of the loss to plead loss causation. Defendants facing such claims should scrutinize whether the complaint offers any plausible explanation for why the market did not react immediately to the corrective disclosure and whether the loss is attributable to the misrepresentation rather than broader market forces. Where the complaint fails to provide at least "some indication" of an explanation, Huey supplies strong grounds for dismissal. Id. at *11.

Why IBM’s CEO Isn’t Worried About the Biggest Stock Selloff Since Black Monday

WSJ **wsj.com**/tech/ibm-stock-crash-quantum-computing-mainframes-7cc6c18f

IBM stock has been languishing since July 14, when it pre-announced disappointing earnings. But the current AI boom might only present a temporary disruption to its core business. And it will drive opportunity for the 115-year-old company, says Chief Executive Arvind Krishna, who spoke to me in an interview.

To understand where IBM is going, you have to understand where it’s been, and how it makes money today.

Nearly every time you pay for something with a credit card, that authorization is processed by an IBM system. IBM’s mainframes, servers and software are no less dominant in the core functions of insurance companies, banks, airlines and other members of the Fortune 500. “When we look at that sort of financial backbone, 70% by value of all transactions flow through the mainframe on a daily basis,” says Krishna.

If IBM’s hardware and software suddenly ceased to exist? “The economy as we know it would kind of grind to a halt,” he adds.

IBM is infrastructure. And infrastructure might be less exciting than the generative-AI models changing our lives (and running amok), but it’s safe—and profitable.

The company reported $4.8 billion in free cash flow in the first half of 2026. Alphabet, meanwhile, just announced that it is cash-flow negative for the first time since its stock-market debut.

The tech industry might have abandoned powerful-but-specialized mainframe computers and shifted to the cloud, but IBM’s customers—what you might call the “real” economy—still lean heavily on them. Krishna says the company is counting on that demand to continue for years to come, until the company can debut its next trillion-dollar business: quantum computing.

The stock-market scare came when Krisha told investors that a swath of valuable orders were delayed, suggesting that its customers were moderating their spending because their other IT costs had risen on account of the AI boom. He’s now saying he’s confident that most of those deals will close within six months.

IBM has been making mainframes since 1964. The company has never given up its core advantage in computing: designing its own processors. Its custom Power architecture still drives IBM servers that handle critical business functions. Another custom line, called Tellum II, powers IBM's latest mainframes.

In the archipelago of computing architectures—which includes Intel's x86, still found in PCs and servers, and the ARM chips that power everything from smartphones to AI clusters—IBM's stands alone. It's an island of design constraints and engineering decisions that evolved across decades to serve the company's demanding, deep-pocketed customers.

IBM's mainframe processors have huge amounts of on-chip memory, yet relatively few very fast computing cores. These chips are all about processing a stream of data (say, bank transactions) very quickly. By contrast, Nvidia's latest systems spread massive AI workloads across thousands of processors.

Hardware sales are only about 20% of IBM's revenue, and mainframes are about a quarter of hardware sales, but its software and consulting services are heavily dependent on those sales.

For every dollar a customer spends on mainframes, they will typically spend an additional $3 to $4 across IBM, says Krishna.

IBM employs close to 300,000 people, a vast workforce 50% larger than that of Google parent company Alphabet. One of the original multinational corporations, only 20% of its employees are in the U.S.

About 160,000 of IBM's employees are in its services business. "That has to be local to where the service is being provided, because people want language skills, people want locality, people want you in their office," says Krishna. "That piece is labor-intensive, let me acknowledge that."

Krishna anticipates the AI boom will also boost IBM's revenue, because most customers need someone to come in and hold their hand. Only the very biggest non-tech companies have in-house tech expertise to assess and incorporate the latest AI systems, he adds.

Hardware being a linchpin of IBM's revenue is one reason investors found the company's recent sales decline so alarming.

The good news, says Krishna, is that of the large deals IBM failed to close by the end of last quarter—numbering in the "low tens"—about a third closed within the first three weeks of the current quarter. That is much faster than what's typical for deferred deals, he adds, and he expects 80% of those deals will close within six months.

IBM's near-total dominance of an obscure but important corner of tech hasn't made it immune to customers redirecting their IT budgets toward memory and storage chips. Both have skyrocketed in price as the entire silicon supply chain reorients to feeding the AI infrastructure boom. Some analysts believe IBM might miss even its more modest revenue targets for the rest of the year.

Krishna pushes back. He expects the dip in revenue to be a one-time event. He also says that, while IBM itself prepurchased $600 million in hardware to get ahead of price increases, it isn't financially prudent for companies to continue buying hardware, only to have it languish in inventory.

IBM is an odd duck in the technology industry, in that it continues to have positive cash flow. Giants including Google and Oracle are reporting staggering negative cash flow, and the value of every publicly traded AI neocloud startup has dropped significantly in the past six months as investors worry about their mounting debt.

IBM is investing its profits in its future, says Krishna, particularly as a leader in quantum computing.

By 2029, the company projects, it will offer the world's first truly useful quantum computer. In June, it said the Trump administration would spend $1 billion to help it set up a quantum-chip manufacturing facility. On Thursday, it announced it will acquire HRL Laboratories, which brings in complementary research on the fundamental units of quantum computing, called qubits.

In conventional chip manufacturing, IBM continues to do pioneering research. It recently showed off what it calls the world's first sub-nanometer chip technology—although demand for this architecture is unclear. IBM has also sunk $5 billion into a project called Lightwell, which uses AI to find and help fix vulnerabilities in open-source software. With powerful AI models that can hack into systems rapidly proliferating, this, too, could be a growth opportunity for the company.

In 1985, IBM was, briefly, the world's most valuable company. Then came the PC. Since then, it's been slow-growing at best. It isn't clear which of the company's bets will pay off. But tech companies are spending trillions on AI that has yet to benefit end customers with appreciable returns. So perhaps IBM is the tortoise in this race.

Krishna himself is, naturally, bullish on the future of his company. He believes quantum computing will begin to power IBM's growth in a matter of years, even if critics say it could be more like decades. The company's first-mover advantage in quantum computing could, he believes, boost its fortunes the way being a first mover in GPUs did for Nvidia. When it comes to the total size of the opportunity for quantum computing, "I have actually upped my estimate," says Krishna. "I think quantum will be a trillion-dollar value-adder by the end of the '30s."

Wise Group Shares Drop After U.S. Regulator Denies License on Shortcomings

WSJ **wsj.com**/business/wise-group-shares-drop-after-u-s-regulator-denies-license-on-shortcomings-b3761783

London-listed shares in fintech company Wise Group fell after U.S. regulators denied its application for a national trust bank license, citing deficiencies in its program to combat money laundering and terrorism financing.

In European morning trading Friday, London-listed shares fell as much as 11% before recovering somewhat.

Wise, which earlier this year moved its primary listing to the Nasdaq, said it invested significantly in enhancing its processes and controls in the U.S. and globally since it prepared the original application, including those to prevent financial crime alongside other forms of risk.

The company plans to submit a new application for a national trust bank charter under the framework of the Genius Act, it said, referring to President Trump's landmark stablecoin law. Trust banks typically don't take deposits or make loans.

The Office of the Comptroller of the Currency said in its rejection letter that Wise's application presented significant supervisory and compliance concerns. It cited long-standing deficiencies in anti-money laundering and countering the financing of terrorism at Wise U.S.

The company said in response that it has been addressing historical issues with its original application mentioned in the OCC letter. Wise said it strengthened its local U.S. program and enhanced investigation and reporting processes among other changes made since its original application was filed.

While the group prepares to submit a new application, its operations remain unaffected by the regulator's decision, it said. Wise said that it continues to operate normally under existing money transmitter licenses across 48 U.S. states and four territories.

The OCC decision comes months after Wise moved its primary stock market listing to New York, while retaining a secondary listing on the London Stock Exchange. When it announced its intention to pursue a U.S. listing, the company said it saw in the country the biggest market opportunity in the world for its products.

Teen Drops Meta Mental Health Suit Ahead Of Bellwether Trial

law360.com/articles/2504690

(July 22, 2026, 10:34 PM EDT)-- A Florida teenager on Wednesday withdrew his suit claiming that Meta Platforms Inc.'s social media products harm young users' mental health, walking away from the litigation five days before his bellwether trial was set to kick off in Los Angeles.

Attorneys for the plaintiff, identified only as R.K.C., said in a statement that their client "came into this process wanting to hold social media companies accountable and push for changes to protect young people like himself."

"He did that," Emily Jeffcott of Morgan & Morgan PA and Rahul Ravipudi of Panish Shea Ravipudi LLP said in the joint statement. "In light of the overall successful result of the litigation and his concerns about enduring a grueling weekslong trial, he has elected to withdraw his claims against Meta."

In his suit, R.K.C. claimed that he became harmfully addicted to Snap's Snapchat, Meta's Instagram, Google's YouTube and ByteDance's TikTok. His was to be the second bellwether trial in coordinated proceedings in Los Angeles County Superior Court that include thousands of similar social media cases. R.K.C. already **settled his claims** with TikTok and YouTube, and reportedly also recently settled with Snap, leaving Meta as the sole defendant heading into trial.

Jeffcott and Ravipudi said Wednesday that R.K.C. is "ready to close this chapter and focus on his recovery and engage in therapy as he aspires to have a normal life."

"We're proud of what this case has helped accomplish, and we hope the justice he's achieved allows him to move on," they said.

A Meta spokesperson said in a statement that "[d]ays after settling with other social media companies, the plaintiff dropped his case against Meta, the only remaining defendant, without receiving any payment."

"The claims never held up, and this outcome makes clear that we will not back away from defending ourselves against baseless lawsuits," the spokesperson said.

A Snap spokesperson on Wednesday declined to confirm the existence of a settlement, but TechCrunch and other outlets reported earlier this week that a deal was reached.

R.K.C.'s trial was slated to kick off July 27 in downtown Los Angeles. The first bellwether trial wrapped up in March and resulted in a first-of-its-kind **$6 million verdict** against Meta and its co-defendants Google LLC and YouTube. The jury found the companies liable for the mental health of a woman who similarly alleged she became addicted to their social media platforms as a child.

Meta CEO Mark Zuckerberg **testified in that trial** in February, and earlier this month, Los Angeles Superior Court Judge Carolyn B. Kuhl said he would **need to return** to testify in R.K.C.'s trial too.

R.K.C. is represented by Davis Vaughn and Joseph VanZandt of Beasley Allen Crow Methvin Portis & Miles PC, Rachel Lanier of The Lanier Law Firm, Mariana McConnell of Kiesel Law LLP, Emily Jeffcott of Morgan & Morgan PA and Rahul Ravipudi of Panish Shea Ravipudi LLP.

Meta is represented by Orlando Richmond of Butler Snow LLP and Ashley M. Simonsen, Andrew Stanner and Gregory Halperin of Covington & Burling LLP.

The case is R.K.C. v. Meta Platforms Inc. et al., case number 23STCV31485, in the Superior Court of the State of California, County of Los Angeles.

ABA Rips DOJ's 'Absurd' Firm Subpoenas In Documents Fight

July 23, 2026

LAW360 Pulse
A LexisNexis® Company

Author: Emily Sawicki

Summary

The American Bar Association has blasted as "absurd" the government's move to subpoena law firms as an attempt to avoid a documents request from the organization amid allegations the Trump administration worked to intimidate law firms into conforming with his policy goals through executive orders last year.

Body

The American Bar Association has blasted as "absurd" the government's move to subpoena law firms as an attempt to avoid a documents request from the organization amid allegations the Trump administration worked to intimidate law firms into conforming with his policy goals through executive orders last year.

In a reply filed Wednesday with the D.C. federal court in connection with a suit it filed in June 2025, the ABA reiterated its calls for the White House to release communications regarding executive orders President Donald Trump signed in the months following his January 2025 inauguration. The orders removed security clearances from BigLaw firms, either due to law firm policies at odds with his administration's initiatives or because the firms were tied to political foes.

"The government's argument that it has no obligation to produce responsive, nonprivileged documents — specifically, communications with third parties — until the ABA exhausts any other possible source of those documents has no support in the governing case law and leads to an absurd result," the ABA stated in its brief.

The reply came after the Justice Department sought to subpoena documents and depositions from the managing partners of 14 BigLaw firms. Firms subpoenaed include those that struck deals with the White House allowing them to escape the executive orders by providing pro bono legal services in alignment with administration goals, and those that fought the executive orders in court.

The DOJ demanded communications and social media posts relating to the executive orders and any agreements struck with the Trump administration. Those include all communications with Trump's personal attorney, Boris Epshteyn, or any communications with the ABA or other firms related to Epshteyn.

But seeking documents from the firms does not absolve the White House from conforming with valid discovery demands, the ABA told the court on Wednesday, calling it a "huge waste of time (and resources) for everyone involved."

If the D.C. court allows the White House to sidestep discovery and instead demand document production from third parties, it will have severe implications for future litigation, the ABA stated.

"If the government has its way, a party seeking relevant documents from the executive must subpoena third parties for those same documents even where the government has no plausible basis to assert privilege over them," the ABA stated.

"This will lead to unnecessary expense, delay and burden on the courts' resources: Rather than seek discovery from a party to the case, plaintiffs would be forced to issue and potentially litigate multiple subpoenas, potentially in other courts, potentially with parties who have not preserved documents," the ABA said.

The government's stance also runs counter to Supreme Court precedent dating back to 1974's United States v. Nixon, the ABA said, when the high court determined "executive privilege only goes so far as is 'consistent with the fair administration of justice.'"

On Thursday, a DOJ spokesperson said in an email that the department's motion to quash the ABA's subpoena is "consistent with long-standing practice to protect any president's ability to obtain confidential advice from his closest advisers."

As for the law firm subpoenas, the DOJ said it sent them out "to reinforce our argument that the ABA should obtain this information from its own members, rather than a close presidential adviser."

The White House subpoenas came to light on the same day the administration filed to disqualify Susman Godfrey LLP from representing itself in the litigation, arguing the firm is a key witness and therefore cannot also serve as plaintiffs counsel.

The ABA's suit seeks to block Trump from issuing further executive orders targeting law firms, and accuses the administration of using executive powers to "coerce lawyers and law firms to abandon clients, causes and policy positions" it finds distasteful.

The White House has denied the allegations.

ABA spokespeople did not immediately respond to requests for comment on Thursday.

The Trump administration is represented by Brett A. Shumate, Diane Kelleher, Christopher M. Lynch, M. Jared Littman, James J. Wen and Adam S. Fox of the U.S. Department of Justice.

The ABA is represented by Stephen Shackelford Jr., Beatrice Franklin, Jillian Hewitt, Neal Manne, Barry Barnett, Harry Susman, Justin A. Nelson, Davida Brook, Jordan Connors, Steve Seigel and Katherine Peaslee of Susman Godfrey LLP.

The case is American Bar Association v. Executive Office of the President et al., case number 1:25-cv-01888, in the U.S. District Court for the District of Columbia.

--Additional reporting by Ryan Boysen, Rae Ann Varona, Alison Knezevich, Daniel Moritz-Rabson and Aebra Coe. Editing by Robert Rudinger.
