Class Action

# Alto Neuroscience Sheds Investor Suit Over Depression Study Miss

Aug. 10, 2026, 7:46 AM PDT

Alto Neuroscience Inc. investors failed to advance allegations that the biopharmaceutical company concealed issues with a clinical trial of its antidepressant candidate during its 2024 initial public offering.

The investors leading the case undercut their claims of false statements with a vague and conclusory timeline, Judge Noël Wise said, dismissing the complaint with the ability to replead.

“With a clinical trial that lasted eighteen months, and alleged misstatements that occurred at the approximate midpoint, Plaintiffs must do more than aver that Defendants knew *something* at *some point*,” the US District Court for the Northern District of California judge said.

The investors’ allegations under the act that governs stock issuances, the 1933 Securities Act, “sounded in fraud,” Wise said in her Aug. 7 order, heightening pleading standards.

Even so, they insufficiently pleaded that the misstatements were false — the investors didn’t offer particularized facts that Alto was struggling to enroll qualified patients for the study at the time, for example, she said.

Nor did the investors adequately plead the level of intent or recklessness for securities fraud under the 1934 Securities Exchange Act, Wise said. The former employees who provided confidential testimony about executives’ knowledge of issues had little interaction with top brass, lowering the value of their allegations, she said.

Alto was studying ALTO-100 to treat major depressive disorder in a second-phase study at the time of its market debut.

Investors said certain risks that hindered the trial, such as struggling to enroll qualified patients, had already come to fruition but were promoted as a hypothetical in federal filings and statements made for the IPO and after.

The proposed classes would include those who got Alto stock pursuant to its IPO paperwork, or who got stock from March 18, 2024, to Oct. 22, 2024.

That day, Alto said ALTO-100 didn't demonstrate a statistically significant improvement in depressive symptoms compared to a placebo. Its stock price plummeted 70% the next day to close at $4.36 — then its steepest one-day slide since the market debut, according to data compiled by Bloomberg.

Alto then said it wasn't advancing ALTO-100 to treat MDD. The company is currently studying ALTO-100 as an adjunctive treatment in bipolar depression.

Pomerantz LLP and Rolnick Kramer Securities Litigation LLP represent the investors. Cooley LLP represents Alto, top executives, and current and former board members. None of these law firms nor Alto immediately responded to emails seeking comment.

The case is Feldman v. Alto Neuroscience, Inc. , N.D. Cal., No. 5:25-cv-06105, 8/7/26 .

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California Brief

# California Fines Data Broker for First Time Under Privacy Law

Aug. 11, 2026, 12:01 AM PDT

California's privacy agency hit data broker LocateSmarter LLC with a $116,490 penalty for making it difficult for online users to opt out of the sale of their personal information.

Tuesday's fine marks the agency's first action for violations of both the state's privacy and data broker laws: the California Consumer Privacy Act and the Delete Act.

The Iowa-based company didn't register as a data broker despite operating as such, according to CalPrivacy. It also required consumers to hand over the last four digits of their Social Security numbers before being able to stop the sale of their personal data, the agency said.

LocateSmarter collected individuals' names, driver's licenses, and dates of birth, as well as information about employment, bankruptcy, and litigation, the agency said.

Requiring online users provide more personal information than necessary — including sensitive data — to submit opt-out requests violates the state's data minimization requirements, the agency said. As a result, only a "tiny fraction" of consumers submitted opt-out requests to the broker, CalPrivacy said.

"Any such intimidation would conflict with the CCPA's mandate that consumers be able to easily exercise their privacy rights," Tuesday's order said.

A majority of brokers registered in California reported receiving relatively few, if any, requests to stop selling or sharing consumers' data, according to a review of the state's data broker registry.

LocateSmarter is required under the order's terms to change its practices, register as a data broker, and make it easier for online users to exercise their privacy rights.

The agency said this case shows it's evaluating businesses' conduct through "the lens of multiple laws" and will continue to do so in future enforcement actions.

“We did the same thing in the General Motors investigation by partnering with the Attorney General and four District Attorneys, and we will continue taking a broad look as multi-state collaboration grows,” said Michael Macko, the agency’s head of enforcement

The agency, along with Attorney General Rob Bonta, hit General Motors Co. in May with a $12.75 million penalty — the largest under the state’s privacy law — to resolve claims the car maker illegally sold hundreds of thousands of Californians’ location and driving information to data brokers.

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California Brief

# Five Takeaways From Zuckerberg’s 6,500-Word Manifesto on AI

Aug. 10, 2026, 1:40 PM PDT

Meta Platforms Inc. Chief Executive Officer Mark Zuckerberg touted his views on artificial intelligence in a 6,500-word essay published Monday, emphasizing his belief that wider access to AI models is key to the industry’s future.

“The notion that AI is so dangerous that the only safe path is an extreme concentration of power seems inherently problematic,” Zuckerberg wrote, challenging a vision of AI championed by startups like OpenAI and Anthropic PBC. “Historically, hoping that an absolute power will benevolently provide for humanity if sufficiently enlightened has not led to safe or positive outcomes.”

Zuckerberg’s letter is the latest entry in the broader genre of manifestos from AI executives laying out their visions for the emerging technology. More philosophical than technical, these statements seek to establish their company’s place in the field and to make the case for how AI should be deployed to support their particular versions of a techno-optimist future.

Here are five essential takeaways from Zuckerberg’s missive:

**1. Meta Still Cares About Open-Source, Open-Weight AI**

For years, Meta has said it was all in favor of “open-source” AI models, industry parlance for making the technology’s building blocks publicly available for download so that developers can use and modify them. The company invested heavily in its Llama family of models, which first debuted in 2023 but ultimately underwhelmed Silicon Valley.

Over the past year or so, though, Meta has pivoted. It hired a new team of researchers, formed Meta Superintelligence Labs and started to prioritize a new generation of models that it could keep proprietary and charge users for access.

While Llama appears to be heading toward retirement, it’s clear from Zuckerberg’s letter that the CEO hasn’t entirely abandoned the idea of giving developers broader access to Meta’s AI products. In his essay, he refers to open source at least 16 times, stressing the importance of US leadership in this arena.

On Monday, the company announced a new open-weight system called Muse Glimmer. Users can download and alter the model, but won't have access to all the ingredients that went into making it. Meta said it intends to make the weights for a version of its more powerful Muse Spark available as well. Those weights refer to the internal values that the model learned during training and that help determine how it responds to future prompts.

**2. Concentration of AI Control Poses a Major Risk**

Zuckerberg also raised concerns about the potential for control over AI to be concentrated in the hands of a few large institutions — like businesses and governments — though he stopped short of naming any of Meta's rivals.

"That will naturally lead to outcomes that are less favorable for everyone else," he wrote. "This is not a technological principle. It is about the balance of power. There is no such thing as a singular benevolent superintelligence."

Zuckerberg argued that broad access to AI diffuses power, leading to greater competition. It's a pitch being made by a growing number of tech executives right now — a quiet jab at OpenAI and Anthropic, which have emerged as the clear leaders in the fast-moving race and have been more focused on controlling access to their technology.

**3. AI Could Expand The Job Market**

Zuckerberg rejected concerns aired by policymakers in Washington and even some in Silicon Valley that artificial intelligence will result in "fewer jobs overall."

Instead, the Meta chief sees a world where there are "a larger number of companies with fewer people" employed at each firm. The technology will enable individuals to be more entrepreneurial, he wrote, and each person will be equipped with a "personalized tutor and coach with a Ph.D. in every subject" to help them get ahead.

"People also continually come up with new ideas to make our lives better and new jobs to bring those ideas to life," he wrote. "In the near future, there will be new jobs that aren't common today."

There is no small amount of irony to this take: Zuckerberg cut 8,000 jobs from Meta earlier this year in response to the company's pivot toward AI.

**4. Data Center Communities Get $1 Billion**

Meta on Monday also announced a $1 billion fund to invest in communities where the company owns and operates data centers. One such community is Richland Parish, Louisiana, where Meta is building a data center that may ultimately cost more than $250 billion.

With its pledge, Meta is seeking to address growing concerns over the local impact of new AI infrastructure. Data centers have drawn the ire of communities across the US over fears the facilities will strain nearby resources and drive up water and energy costs.

“Sustainable infrastructure development means that communities must benefit significantly from each project,” Zuckerberg wrote, adding that this includes high-paying jobs, and investments into schools and public services. He added that in Richland Parish, local teachers received a $50,000 bonus thanks to increased tax revenue from the Meta investment. However, the school board has been preparing teachers for that bonus to decrease in coming years as the initial benefits from the boomtown wane.

**5. The Threat From China**

Zuckerberg has warned for years that China poses a technological threat to the US. His essay once again outlined what he sees as the risk of losing ground to China if US lawmakers are too heavy-handed with AI rules and regulations.

“American communities will have greater prosperity and security if America and its allies lead in AI compared to geopolitical rivals,” he wrote. This is made more challenging because “it is more difficult to build infrastructure here” than in China, he added.

The US will need to speed up its AI development, including its infrastructure projects, to keep pace, Zuckerberg wrote. He praised US measures limiting sales of advanced AI chips and other hardware to China. “Export controls on silicon have been successful for slowing the progress of foreign labs during this critical period, so it is the right strategic move to continue those,” he added.



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Michael Shepard, Andrew Pollack

# $2.5B Settlement: A New Blueprint for Environmental Litigation?



New Jersey's recovery of a $2.5 billion settlement with DuPont and 3M over pollution from so-called forever chemicals is being hailed as a model for future environmental enforcement actions, as dozens of states bring similar actions.

Chief U.S. Judge Renee Marie Bumb approved the settlement of claims stemming from contamination of the state's lands and waterways by per- and polyfluoroalkyl substances, or PFAS—a family of chemicals that are present in the blood of nearly all Americans, said New Jersey's lawyer William Jackson of Kelley Drye & Warren.

PFAS were used in a variety of consumer products including Teflon frying pans, as well as foam used to extinguish fires.

New Jersey's counsel, Kelley Drye & Warren, said the state's recovery of more than $2 billion from DuPont is the largest environmental recovery for a single state, and the 3M settlement, at approximately $450 million, is one of the largest legal recoveries in state history.

Attorney General Jennifer Davenport said the settlement demonstrates New Jersey's national leadership in the fight against forever chemicals.

“For years, corporate polluters have profited from ‘forever chemicals’ while causing untold damage to our communities—endangering the health of our kids, contaminating the water we drink and exposing our first responders to dangerous carcinogens," Davenport claimed. "Our office will continue to hold corporations accountable whenever they harm our communities, and I am eager to see the work begin to repair the decades of damage DuPont and 3M have caused in the Garden State.”

The settlement calls for 3M, DuPont and several subsidiaries of DuPont to pay the state up to $1.325 billion in natural resources damages and abatement damages, and the DuPont defendants will also pay another $1.2 billion in remediation commitments.

Bumb approved those terms as well as an award for more than $195 million in attorney fees.

The litigation stems from pollution at four DuPont facilities—the Chambers Works site in Salem County, the Parlin site in Middlesex County, the Repauno site in Gloucester County and the Pompton Lakes Works site in Passaic County.

The state filed suits stemming from pollution at each of those sites in 2019, with 3M targeted because it supplied some of the chemicals, and the cases were later consolidated in federal court.

Former U.S. Magistrate Judge Joel Schneider, who is now an arbitrator, mediator and neutral evaluator with JAMS, was appointed special master.

Then, in 2025, Bumb scheduled a series of mini-trials to address various aspects of the case.

3M settled at the outset of the first trial and, after the fifth trial, DuPont settled.

The settlement includes safeguards ensuring the state will not be short-changed if any of the DuPont entities goes bankrupt, plaintiff counsel said.

"The ability to develop the liability story and the damages story and to be able to put that case on at trial had a tremendous impact on the state of New Jersey, and that model will have a significant impact on other states and claimants as these cases continue," said William J. Jackson of Kelly Drye & Warren in Houston.

The volume of pending litigation over PFAS is "massive," with 36 states and sovereign entities with suits against DuPont and 3M, and tens of thousands of personal injury claims are pending, including some from firefighters exposed to the substances," Jackson said.

“The approval of these historic settlements establishes a legal framework and serves as a precedent to shape and resolve massive PFAS impacts and liabilities nationwide," Jackson said.

Representatives of 3M and DuPont did not respond to requests for comment about the ruling.

Counsel for 3M was from Jenner and Block, King & Spalding and Mayer Brown.

DuPont's litigation team included Cravath, Wachtel and Kirkland and Ellis, McCarter & English and Ballard Spahr.

Bumb approved the terms of settlements with 3M and DuPont, which were referred to as Judicial Consent Orders, or JCOs, after finding they were in the public interest.

"The North Star of this litigation has, is and always has been whether the proposed JCOs protect the public interest," the judge wrote. "That goal lies suspended somewhere between what is attainable and what is just beyond the collective reach, in other words, what is fair and reasonable. The proposed 3M JCO and the proposed DuPont JCO strike that balance. Borrowing President Madison's description of our Constitution, the proposed JCOs are not the offspring of a single brain, and ought to be regarded as the work of many hands and many heads."

# More Securities Class Actions Are About AI. Is This Just Another Trend?

law.com/2026/08/10/more-securities-class-actions-are-about-ai-is-this-just-another-trend

In a recent report, economists found that more securities class actions are being filed that include artificial intelligence claims.

On July 29, Cornerstone Research reported that investors filed 15 AI-related securities class actions during the first half of 2026. If that filing speed holds, 2026 may see nearly double the number of AI-related securities class actions than 2025.

In the current environment in which businesses are exploring new AI capabilities, practitioners told Law.com they weren't surprised about the increasing litigation.

But Brian Cochran, a partner at Robbins Geller Rudman & Dowd, wouldn't call this a litigation surge just yet. He just isn't sure how big the wave could get.

"You can pretty safely assume there will be more … cases connected to AI, just exactly the nature and the magnitude is still unknown," Cochran said.

Craig Waldman, a partner at Simpson Thacher & Bartlett, said the potential for more AI-related cases was obvious.

"AI encompasses a lot of things … it encompasses AI development, data centers, AI infrastructure, use of AI. There are quite a number of disclosures that are impacted by AI," said Waldman.

Cochran estimated that one-third of the cases his firm is thinking about have "some kind of significant AI angle."

The cases that Cochran sees can be lumped into three buckets: so-called "AI-washing" cases in which plaintiffs argue that companies overstated their AI capabilities, disruption cases in which plaintiffs argue that companies concealed or misrepresented risks stemming from AI-related disruptions and then cases against companies that build AI software and hardware.

The defendant businesses run the gamut, according to Sasha Aganin, an economist and co-author of the Cornerstone report.

"I suspected that there would be filings in different industries, but I was just surprised by how broad the AI-related litigation can be. There is a cosmetics company. There is a company that builds data centers," he said.

The AI-related securities class actions, according to the report, are also bigger. While AI-related filings comprise only 13% of all "core" filings, they account for 73% of the alleged investor losses in the first half of 2026, researchers found.

But while the breadth and size of these cases could hold AI litigation apart from older securities litigation trends, Jonathan Youngwood, the global co-chair of litigation at Simpson Thacher & Bartlett, implicated the AI cases among the general litigation atmosphere.

Securities class actions have been growing over the past decade, Youngwood said. And while the alleged damages are bigger, valuations are also up, he said.

"When valuations are high, a 5% drop is a larger number than a 5% drop if the valuations are low," Youngwood said.

The high valuations affect other aspects of litigation as well. On July 22, Cornerstone Research reported that securities class action settlements were up during the first half of 2026.

"Some of this is simply inflation, and not just inflation in general in the world, but particularly inflation in a frothy market over a great deal of time," Youngwood said.

In the past, litigators saw trends emerge with the filing of cryptocurrency-related and SPAC-related securities class actions. AI may have supplanted those two as the current litigation trend, but Cochran said he expects the amount of AI-related securities litigation to dwarf the total number of cryptocurrency-related or SPAC-related cases.

The current cases have only rolled in during the "early innings" of AI adoption, Cochran said, pointing out that major market developments—including the IPOs of dueling AI heavyweights, Anthropic and OpenAI—have yet to pass.

"I don't think we're at the top of—however you want to describe it—AI hype or price appreciation," said Cochran.

If anything, for Cochran, the number of existing cases can be understating how much litigation there could be.

"You turn on CNBC any day of the week and you see it's all about AI. [The number of cases] actually, to me, seems understating the AI exposure at this stage," Cochran said.

# Mealey's Insurance - Judge: Bump-Up Exclusion Bars Coverage For $ 27.1M Settlement Of Shareholder Suit

Mealey's Daily News Update

August 10, 2026



**Cite:** 2026-9955 Mealey's Daily News Update 7

**Section:** 2026, 9955

**Length:** 1100 words

**Dateline:** WILMINGTON, Del.

## Body

A Delaware judge granted primary and excess management liability insurers' motion for summary judgment in an insured's breach of contract and bad faith lawsuit seeking coverage for the $ 27,125,000 settlement of an underlying shareholder action asserting that the insured's co-founder and CEO pursued private equity for personal reasons and displayed conduct that lowered the company's sale price before an acquisition, holding that the policies' bump-up exclusion bars coverage because the underlying settlement represented an effective increase in consideration (Zayo Group Holdings, Inc. v. National Union Fire Insurance Company of Pittsburgh, Pa., et al., No. 23C-04-260, *Del. Super., New Castle Co., 2026 Del. Super. LEXIS 360*).

( Memorandum opinion and order available 13-260820-010Z )

New Castley County Superior Court Judge Paul R. Wallace held Aug. 5 that the insurers satisfied their burden to demonstrate that the bump-up exclusion precluded coverage and the insured failed to provide a "meaningful rebuttal to the overwhelming evidence" establishing an increase in consideration for the shareholders.

The judge said that the underlying settlement's "real result" gave the shareholders increased consideration for the acquisition.

Reverse Triangular Merger

Zayo Group Holdings Inc. is a global provider of communications infrastructure and owns and operates fiber networks, data centers and small cell sites that are used for 5G networks.

In May 2019, Digital Colony Partners and the EQT Infrastructure IV Fund (collectively, Consortium B) acquired Zayo through a reverse triangular merger. As a result of the merger, Zayo transitioned from a public company to a private one and its shareholders received $ 35 in cash per share of common stock.

Following the merger, former Zayo public shareholders sued Zayo's co-founder and Chief Executive Officer Dan Caruso in the Delaware Chancery Court, alleging that he breached his fiduciary duties when conducting the acquisition. They asserted that Caruso "deliberately botched a public announcement to tank Zayo's stock price and ensure his continued control amid mounting shareholder activism."

Following mediation, the underlying parties settled for $ 27,125,000.

Coverage Dispute

National Union Fire Insurance Company of Pittsburgh, Pa. reimbursed Zayo for some of the underlying defense costs under a primary insurance policy. National Union and excess insurers ACE American Insurance Co. and Arch Insurance Co. denied coverage for the underlying settlement, asserting that coverage is barred by the policies' bump-up exclusion, which precludes "coverage for any settlement that represents an effective increase in consideration gained from an acquisition."

Zayo sued the insurers in the Superior Court, seeking to recover the $ 27,125,000 underlying settlement and alleging that National Union breached the contract and acted in bad faith by refusing to cover the settlement.

Zayo moved for partial summary judgment as to the bump-up exclusion. The insurers moved for summary judgment as to the exclusion and the bad faith claim.

Bump-Up Exclusion

Judge Wallace held that the bump-up exclusion bars coverage, relieving the insurers of their duty to cover the underlying settlement.

The judge concluded that "the record establishes that the Settlement represented an increase in consideration to the underlying shareholders."

"Notably: (1) the underlying Zayo shareholders sued Mr. Caruso for inadequate consideration from the Acquisition; (2) the Settlement amount went to the allegedly injured shareholders on a per-share basis; (3) the parties mediated and had completed some discovery at the time of the Settlement; and (4) Mr. Caruso didn't stipulate in the Settlement that he was settling solely to avoid continued litigation costs," the judge said.

The judge further found that because the bump-up exclusion bars the entire amount of the underlying settlement, "there is no allocation issue, and the Larger Settlement Rule is inapplicable."

The judge noted that the court in *Towers Watson & Co. v. Nat'l Union Fire Ins. Co. of Pittsburgh, PA., 138 F.4th 786 (4th Cir. 2025)*, affirmed a district court decision that a bump-up clause barred coverage. The judge said that, by contrast, the court in Illinois Nat'l Ins. Co. v. Harman Int'l Indus., Inc.,---A.3d----, at *1 n.66 (Del. Jan. 27, 2026), concluded that a bump-up clause with the same language as the clause in Towers Watson did not bar coverage.

The judge said that the present case is "far more aligned" with Towers Watson than Illinois Nat'l.

No Bad Faith

The judge said Zayo cannot show a breach of contract because coverage is barred.

The judge said that bad faith claims for denying insurance are actionable when the insured can demonstrate that "the insurer's denial of benefits was clearly without reasonable justification," citing *Genzyme Corp. v. Fed. Ins. Co., 622 F.3d 62 (1st Cir. 2010)*.

"Without an underlying breach, there can be no bad-faith claim," the judge said.

The judge granted the insurers' motion for summary judgment and denied Zayo's motion for partial summary judgment.

Counsel

Zayo is represented by Ryan D. Kingshill and Jennifer C. Wasson of Potter Anderson & Corroon LLP in Wilmington, Tamara D. Bruno of Pillsbury Winthrop Shaw Pittman LLP in Houston, Peter M. Gillon of Pillsbury Winthrop in Miami and William C. Miller of Pillsbury Winthrop in Washington, D.C.

National Union is represented by Kurt M. Heyman and Aaron M. Nelson of Heyman Enerio Gattuso & Hirzel LLP in Wilmington and Scott B. Schreiber, Arthur Luk and William C. Perdue of Arnold & Porter Kaye Scholer LLP in Washington, D.C., Joshua W. McCollum of Arnold & Porter in Houston and Zachary T. Morris of Arnold & Porter in Los Angeles.

ACE American is represented by Robert J. Katzenstein and Julie M. O'Dell of Smith Katzenstein Jenkins LLP in Wilmington, Daniel W. London and Jan H. Duffalo of London Fischer LLP in New York and Michael R. Goodstein and James M. Young of Bailey Cavalieri LLC in Columbus, Ohio.

( Additional documents available: Insurers' opening brief in support their motion for summary judgment 13-260820-011B

Zayo's answering brief in opposition 13-260820-012B

Insurers' reply brief 13-260820-013B

Zayo's opening brief in support motion for partial summary judgment 13-260820-014B

Insurers' answering brief in opposition to Zayo's motion for partial summary judgment 13-260820-015B

Zayo's reply brief 13-260820-016B

Third amended complaint 13-260820-017C )

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# Neogen Bats Away Investor Suit Over 3M Unit Merger Integration

Aug. 11, 2026, 8:45 AM PDT


## Summary by Bloomberg AI

AI Generated

- Neogen Corp. shed investor allegations that the food safety company misrepresented the ease of folding in a unit of 3M Co. after a $5.3 billion merger.
- Judge Hala Y. Jarbou dismissed the proposed class action, saying the pension funds failed to allege how the company or former top executives defrauded investors over the smoothness of integrating 3M's food safety business.
- The pension funds sufficiently pleaded that former CEO John Adent's statements about combining the sales and customer communications system were false, but didn't adequately allege that he made them with requisite level of intent or recklessness for securities fraud claims.


Neogen Corp. shed investor allegations that the food safety company misrepresented the ease of folding in a unit of 3M Co. after a $5.3 billion merger.

The pension funds leading the case failed to allege how the company or former top executives defrauded investors over the smoothness of integrating 3M's food safety business, Judge Hala Y. Jarbou said, dismissing the proposed class action Monday.

It wasn't clear why many of the alleged misrepresentations about ramping up of manufacturing for 3M products or its new supply-chain management system were false or misleading, the US District Court for the Western District of Michigan said.

Neogen and the executives didn't represent that rolling out a new system for managing supply chains, accounting, demand forecasting, or orders — its enterprise resource planning or ERP system — was flawless, Jarbou said. The company repeatedly shared inefficiencies that spurred backlogs and shipping delays.

"Also, Plaintiffs' allegations about the nature and extent of the ERP problems are somewhat vague, making it difficult to infer that Defendants would have been aware of them or acted with the required intent to deceive," she said.

The pension funds sufficiently pleaded that former CEO John Adent's statements about combining the sales and customer communications system were false, Jarbou said.

But they didn't adequately allege that he made them with requisite level of intent or recklessness for securities fraud claims, she said: Their complaint lacked allegations suggesting Neogen or its senior executives knew or had a reason to believe 3M customer data hadn't been integrated into a common platform with Neogen's.

The proposed class would include those who got Neogen stock from Jan. 5, 2023, to June 3, 2025. During this time period, Neogen and former top executives allegedly overhyped the benefits and integration of the 3M food safety business from the 2022 acquisition while downplaying hiccups as temporary, the suit said.

Related shareholder derivative allegations against certain Neogen leadership are pending in the same court.

Saxena White PA and Grant & Eisenhofer PA are co-lead counsel for the pension funds. Weil Gotshal & Manges LLP and Michigan-based firm Miller Johnson represent Neogen, Ardent, and former Chief Financial Officer David Naemura. Neither side's attorneys nor Neogen immediately responded to emails seeking comment.

The case is Oper. Eng'rs Constr. Indus. & Misc. Pen. Fund v. Neogen Corp. , W.D. Mich., No. 1:25-cv-00802, 8/10/26 .

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Bloomberg Law

Manage Newsletters

# SEC Alleges Fund Adviser Misled Investors in Pre-IPO Schemes (1)

Aug. 11, 2026, 6:53 AM PDT

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## Summary by Bloomberg AI

AI Generated

- Adit Ventures and co-founder Eric Munson were accused by the US Securities and Exchange Commission of making false claims about investments and overcharging clients with undisclosed fees.
- Munson and his firm agreed to settle the SEC's allegations without admitting to the regulator's claims, with terms of the settlement to be decided later.
- The SEC said Munson solicited investments through misrepresentations and false promises, then misused the money for his benefit, including buying pre-IPO shares and having clients buy them at marked-up prices without disclosing the true costs.

Investment adviser Adit Ventures and co-founder **Eric Munson** were accused by the US Securities and Exchange Commission of making false claims about investments and overcharging clients with millions of dollars in undisclosed fees to buy shares of companies including SpaceX and Klarna before they were offered to the public.

Munson, 65, and his firm agreed to settle the SEC's allegations without admitting to the regulator's claims, the regulator said Monday in a filing in federal court in Manhattan. Terms of the settlement, which will likely include civil penalties and a return of illicit profits, will be decided later, the SEC said.

"Investment advisers are entrusted with acting in their clients' best interests," Corey Schuster, chief of the SEC's enforcement division's asset management unit, said in a statement. "Here, the defendants allegedly engaged in repeated fraudulent acts to benefit or enrich themselves. That misconduct has no place in investment advisory relationships where clients count on investment advisers being their fiduciaries."

Between April 2019 and December 2024, Munson solicited investments through misrepresentations and false promises, then misused the money for his benefit, including taking out unsecured loans of investor cash, the SEC said. He also bought pre-IPO shares and had clients buy them at marked-up prices without disclosing the true costs, the the regulator said.

One investor handed over $15 million after Munson said an investment vehicle he controlled already owned shares of Klarna, which hadn't yet made its public market debut. Another investor put $5 million into a fund after Munson said he personally contributed $5 million of his own money, which also wasn't true, the SEC said in its complaint.

In a statement, Munson characterized the case as opened during the Biden administration and that the issues were remediated "years before" the SEC got involved. He said every investor received the shares they were due and he settled to avoid costly litigation.

"I have spent 40 years putting investors first, and the record of my work is crystal clear," Munson said in a statement. "I am settling this matter because fighting it will not result in any benefit for me or for the investors I have spent my professional life serving. It is not a concession that these charges have any merit whatsoever."

(Updated with additional comment in sixth paragraph.)



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Steve Stroth

# Power Players / Power Struggle: First Department Affirms Dismissal of Shareholder Class Action Challenging Energy Company's Take-Private Merger | Business Information & News | FE



Let's say you are a minority interest holder facing a squeeze-out merger. If someone else controls the process, the price, and the paperwork, how do you know the deal was fair? Can a minority shareholder that also holds a meaningful stake in the controller really be counted among the "disinterested" minority? How much independence is independent enough when a controlling shareholder takes a company private? Those questions and concerns sit at the center of today's case, In re Avangrid, Inc. Shareholder Litigation, 250 AD3d 650 (1st Dept 2026).

Avangrid, Inc.

Avangrid, Inc. is a New York-based utility holding company operating in electric transmission, natural gas, and renewable energy. Its controlling shareholder, Iberdrola, S.A.—a Spanish energy multinational—owned roughly 81.6% of its stock.

Among the 18.4% minority is DeKalb County Employees' Retirement System and AQR Capital Management (the lead plaintiffs in the shareholder class action). Among the minority is also Qatar Investment Authority ("QIA"), which held approximately 8.7% of Iberdrola and 3.7% of Avangrid.

The Take-Private Merger

In early 2024, Iberdrola proposed to acquire the remaining 18.4% of shares in a squeeze-out merger.

A 2015 Shareholder Agreement between Avangrid and Iberdrola required that any going-private transaction be conditioned on (a) approval by a committee of independent directors unaffiliated with Iberdrola, and (b) a majority-of-the-minority shareholder vote.

Iberdrola initially proposed $34.25 per share.

The Committee then met seventeen times, retained Moelis & Company as its financial advisor (after contacting eight firms and interviewing four), and engaged Paul Weiss as its legal counsel. Moelis delivered a fairness opinion that the $35.75 per-share consideration was fair from a financial point of view to unaffiliated shareholders.

The Committee accepted the final price of $35.75 per share plus continued regular dividends.

The shareholders voted to approve in the majority-of-the-minority vote, and the merger closed on Christmas Eve-Eve, December 23, 2024.

The Lawsuit

DeKalb County Employees' Retirement System and AQR Capital Management, led the charge on behalf of a class of minority shareholders, filing suit to challenge the merger. The heart of their case rested on two beats.

First, they targeted the majority-of-the-minority vote. QIA (which, again, owned about 8.7% of Iberdrola and 3.7% of Avangrid) voted in favor of the merger. Plaintiffs argued that QIA's significant economic interest in Iberdrola effectively aligned it with the controller, and that Iberdrola's refusal to exclude QIA from the minority vote rendered the entire majority-of-the-minority condition a sham.

Second, they challenged the Committee's independence. The complaint alleged that Iberdrola dominated Avangrid's Board, and therefore it was critical that the Committee function independently so that the minority shareholders received fully informed material disclosures in connection with their voting rights. Plaintiffs claim that the Committee members, however, had personal and professional ties to Iberdrola's CEO, citing political relationships, public praise, and, in one case, a described "friendship".

Plaintiffs also took aim at the Committee's mandate, which they said required the committee to consider Iberdrola's interests while negotiating against Iberdrola—a structural conflict. And they alleged that Moelis itself had ties to Iberdrola.

Ultimately, Plaintiffs allege that Iberdrola acquired the remaining minority interest in Avangrid at an unfairly low price and the transaction should be viewed under the "entire fairness" standard rather than the deferential business judgment rule.

Justice Borrok Dismisses the Complaint In Its Entirety.

The case landed on the desk of New York Commercial Division Justice Andrew Borrok. Defendants moved to dismiss.

The court applied the framework established in In re Kenneth Cole Prods., Inc., S'holder Litig., 27 NY3d 268 (2016) (applying the seminal Delaware case Kahn v M & F Worldwide Corp., 88

A.3d 635 (Del. 2014)), and held that under Kenneth Cole / MFW, interested-controller going-private mergers are generally subject to entire fairness review but may receive business judgment rule protection if and only if six enumerated safeguards are present:

The controller conditions the procession of the transaction on the approval of both a Special Committee and a majority of the minority stockholders;

The Special Committee is independent;

The Special Committee is empowered to freely select its own advisors and to say no definitively;

The Special Committee meets its duty of care in negotiating a fair price;

The vote of the minority is informed; and

There is no coercion of the minority.

Justice Borrok went through each of the factors and found that Plaintiffs failed to adequately allege the absence of these safeguards.

Some highlights:

Majority-of-the-Minority Vote / QIA. The court rejected plaintiffs' argument that QIA's inclusion invalidated the vote, noting that the merger would have passed even excluding QIA (albeit by a narrow margin), that QIA had initially publicly objected to Iberdrola's offer as too low, and that Moelis opined the transaction was fair.

Committee Independence. The court found that allegations regarding the Committee members—including political relationships, prior public praise of Iberdrola's CEO, personal friendships, receipt of ordinary board compensation, and post-merger board service—were insufficient to establish that any Committee member's discretion was compromised or that the member was beholden to Iberdrola.

Advisor Selection. The court found that the Committee's extensive process—contacting eight financial firms, interviewing four, and engaging Moelis only after considering independence, qualifications, experience, and potential conflicts—established that the Committee was empowered to freely select advisors. Likewise, the selection of Paul Weiss was only after considering each interviewed firm's "independence, expertise, qualifications, experience, and potential conflicts."

Coercion. Relying on Baltic Trading Ltd. v. Genco Shipping & Trading Ltd., the court framed the coercion question as whether voting shareholders could reject the deal and maintain the status quo. QIA's inclusion thus did not render the vote coercive.

Having concluded that Plaintiffs failed to allege facts showing that any of the six Kenneth Cole / MFW procedural safeguards were not satisfied, and in the absence of allegations of fraud or bad faith, the business judgment rule applied. The court therefore dismissed the complaint in its entirety.

Plaintiffs appealed.

First Department Unanimously Affirms Dismissal.

Plaintiffs fared no better before the First Department, which unanimously affirmed dismissal with costs.

Like the Motion Court, the First Department held that Plaintiffs did not sufficiently allege noncompliance with Kenneth Cole/MFW. The court held that QIA could be included in the majority-of-the-minority vote without coercing the minority; that alleged friendships and personal relationships were insufficient to demonstrate that the directors was "beholden to the controlling party or so under [its] influence that [the director's] discretion would be sterilized"; that Plaintiffs did not allege that the Committee lacked the power to say no or otherwise failed to satisfy its duty of care; and that the Committee's advisor-selection process supported the conclusion that it freely selected its advisors.

Plaintiffs Seek Leave to Appeal.

Plaintiffs now seek leave to appeal to the New York Court of Appeals.

Plaintiffs frame the following questions for the Court of Appeals:

Whether the first Kenneth Cole condition is satisfied when the controller refuses to exclude from the majority-of-the-minority vote a large shareholder with significant economic ties to the controller;

Whether the sixth Kenneth Cole condition is satisfied where the disclosed vote structure allegedly requires a supermajority of unaffiliated public shareholders to block the merger; and

Whether the second Kenneth Cole condition is satisfied where plaintiffs allege the majority of the Committee and its financial advisor were financially aligned with Iberdrola and the Committee was required to consider Iberdrola's interests.

Plaintiffs argue these issues are novel and of significant public importance, characterizing the QIA ownership question as one of first impression in New York and contending that the absence of appellate guidance leaves courts and practitioners without a clear framework for shareholder-vote independence in controller transactions.

Will the Court of Appeals Bite?

If I had to guess, my money is on no.

First, unless you were handed a split appellate decision (with the accompanying the golden ticket of an appeal as of right), getting a foot in the door of New York's court of last resort is tough. According to the Court of Appeals' published 2025 Annual Report, the Court granted leave to just about 5% of cases (119), 79 of which were civil appeals.

Plaintiffs have a genuinely interesting question, and my ears always perk up when I hear "issue of first impression." Do I personally think that the Committee was truly truly independent and unaffected? Eh. But that intersection of relationship building and deal-making is an inevitable, inextricable part of doing business, and rarely reflects a platonic ideal. The question for the courts is not whether the process was perfect, but whether the safeguards were sufficient to warrant judicial deference.

Interesting does not always mean leave-worthy. Here, the Motion court and the Appellate Court were aligned in their reasoning and result. The case was decided on the facts / allegations, and not on unsettled law.

Procedural safeguards, like those articulated in Kenneth Cole/MFW, are designed protect minority shareholders while allowing business decisions to move forward, even if imperfect or a little messy. Here, at least in the eyes of the court, Avangrid and Iberdrola did enough to earn that deference, even if some minority interest holders were left unhappy with the outcome.

Plaintiffs' motion for leave is returnable on August 31, 2026, so we will find out soon enough if the Court of Appeals will weigh in.

# Risk Factors Are Forward-Looking by Design: Lessons from the Ninth Circuit's SunPower Decision | Business Information & News | FE



Our Securities Litigation Group examines the latest circuit court opinion analyzing whether risk disclosures can constitute false or misleading statements under the federal securities laws.

Hindsight alone is not enough to plead securities fraud

Plaintiffs must show contemporaneous knowledge that the risk has already come to fruition

Omission theories cannot bypass that knowledge requirement

On July 24, 2026, the Ninth Circuit affirmed dismissal of a securities fraud class action against SunPower Corporation and two of its former officers, holding that the plaintiff failed to plausibly allege SunPower knew of a product defect at the time it issued the challenged risk factor disclosures. The decision is the latest in a growing line of cases addressing whether and when a company's risk factor disclosures can give rise to liability under the federal securities laws.

Risk factor disclosures have become an increasingly contested battleground in securities class action litigation. Historically, companies relied on their risk factor disclosures defensively, pointing to them as evidence they had warned investors about the very risks that later materialized. In recent years, however, plaintiffs have turned those disclosures against issuers, alleging the risk factors themselves were misleading because they framed known, existing problems as merely hypothetical future concerns.

The circuits have not been uniform in their approach to these issues. Decisions from the Second and Ninth Circuits have recognized, in theory, that a plaintiff may state a claim based on allegedly false risk factor disclosures, though in practice those courts often dismiss such claims for insufficient factual detail. The Sixth Circuit has taken a more skeptical view, emphasizing that risk disclosures are inherently prospective and that the use of the future tense, without more, would not lead a reasonable investor to infer anything about current conditions. The Supreme Court had an opportunity to resolve the issue in Facebook v. Amalgamated Bank but dismissed the appeal without issuing a substantive opinion, leaving the circuit split unresolved.

Against that backdrop, the Ninth Circuit's decision in SunPower is a notable addition. Like the Ninth Circuit's earlier decision in HRSA-ILA Funds v. Adidas AG, the opinion reflects a willingness to closely parse the challenged risk factor language and to demand that plaintiffs do more than point to the eventual materialization of a risk. This approach is consistent with the principle that risk factor disclosures are forward-looking by design and should not be treated as implicit representations of present conditions.

The facts underlying the SunPower case illustrate this pattern. SunPower's commercial solar systems incorporated connectors supplied by a third-party vendor. The company's August and November 2021 Forms 10-Q included risk factor disclosures warning that component failures and associated warranty claims could adversely affect its operations and financial performance. In January 2022, SunPower disclosed it would proactively replace certain connectors after identifying a cracking issue, resulting in an estimated $27 million warranty charge and causing the company to miss its 2021 earnings guidance. SunPower's stock price fell nearly 17%, and a securities class action followed.

The plaintiff alleged SunPower's risk factor statements were misleading because they failed to disclose that the connector cracking issue had already emerged by the time the 2021 Forms 10-Q were filed. The District Court for the Northern District of California dismissed the complaint, finding the plaintiff had not pleaded particularized allegations that the defendants knew of the defect when the challenged disclosures were made. The Ninth Circuit has now affirmed.

The crux of the decision is the panel's application of the Ninth Circuit's rule, established in Facebook and Alphabet, that risk factor disclosures can give rise to liability when they warn risks "could" occur if plaintiffs have successfully pleaded with the required detail that those risks have already materialized. The panel made clear, however, that a risk does not "materialize" merely because a defect exists somewhere in a company's operations. Rather, materialization occurs only when the defendant knows of the defect. That distinction was dispositive here: because the plaintiff could not plausibly allege anyone at SunPower knew of the connector defect at the time of the challenged disclosures, the risk had not yet materialized, and the statements were not false or misleading.

The panel also rejected the plaintiff's attempt to avoid this knowledge requirement by recasting its theory as one of omission. The plaintiff argued a statement is actionable whenever it "create[s] an impression of a state of affairs that differs in a material way from the one that actually exists," regardless of whether the defendant was aware of the discrepancy. The panel held this "second formulation" of falsity does not eliminate the need for a plausible allegation that the defendant knew of the omitted facts at the time of the challenged statement. In other words, plaintiffs cannot sidestep the contemporaneous knowledge requirement simply by relabeling a claim as an omission.

SunPower reinforces that risk factor claims rise or fall on what the company knew at the time it made the statement in question. If a complaint lacks particularized allegations of the defendant's contemporaneous awareness of an underlying defect or risk, claims based on risk factor disclosures should not survive a motion to dismiss. The decision also confirms that plaintiffs cannot circumvent this requirement by reframing their allegations as omissions.

Risk factor disclosures are forward-looking by design, and absent particularized evidence that a company knew of an existing problem and chose to frame it as hypothetical, SunPower confirms they should be treated as such.

Bloomberg Law

## California Brief

# Webtoon Reaches $10 Million Settlement With Investors Over IPO

Aug. 10, 2026, 10:30 AM PDT

Webtoon Entertainment Inc. has agreed to pay investors about $10 million to settle class claims over its disclosures about user metrics and risks before going public, according to a federal court filing.

The online comics company's settlement offer should receive preliminary approval because it's fair, reasonable, and adequate, shareholders leading the lawsuit told the US District Court for the Central District of California. The settlement amount represents 7% of the estimated maximum recoverable damages, they said in the Aug. 7 filing.

The case raised issues about the standards for disclosing intra-quarter results before an initial public offering — issues that the US Court of Appeals for the Ninth Circuit addressed in August 2025 in a case involving Robinhood Markets Inc.'s IPO. Information about declines in certain metrics merely needed to be "material" to prompt updated disclosures in registration and prospectus documents between regular quarterly reports, the appeals court said, acknowledging a circuit split. Robinhood has asked the US Supreme Court for review of that decision.

The proposed class action over Webtoon's June 2024 IPO alleged that the company, members of its leadership, and its underwriters misled investors by pointing to growth in monthly active users while failing to disclose that the trend had reversed. The defendants also failed to disclose the negative effect of foreign currency fluctuations in the first half of 2024, the investors said.

Judge Consuelo B. Marshall denied the defendants' request to dismiss the user metrics claim in a 2025 ruling, citing the Robinhood case. She also allowed claims to proceed based on risk disclosures about user levels and currency fluctuations. But she threw out claims that Webtoon overstated its growth prospects.

The proposed $10,050,000 settlement would apply to those who acquired Webtoon stock traceable to the IPO, the investors said in their request for preliminary approval. The investors' attorneys intend to seek no more than 25% in fees, according to the filing.

Robbins Geller Rudman & Dowd LLP is lead counsel for the investors. Kirkland & Ellis LLP represents Webtoon and the individual defendants. Gibson, Dunn & Crutcher LLP represents the underwriters.

The case is Brookman v. WEBTOON Ent. Inc. , C.D. Cal., No. 2:24-cv-07553, motion 8/7/26 .

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# Anti-Money Laundering Enforcement and Securities Litigation Risk

dandodiary.com/2026/08/articles/securities-litigation/anti-money-laundering-enforcement-and-securities-litigation-risk

As *The D&O Diary* has emphasized in numerous posts in recent months (most recently here), geopolitical issues represent an increasing source of D&O risk. The geopolitical issues include, among other things, sanctions, tariffs, and export controls. Another geopolitical issue that can have an impact on D&O risk is the enforcement of anti-money laundering (AML) laws. In the latest example of AML enforcement translating into D&O risk, in late July a plaintiff shareholder filed a securities class action lawsuit against British money transfer technology company Wise Group, a company whose U.S. bank charter application was denied due to AML concerns. A copy of the July 31, 2026, complaint can be found here.

*Background*

Wise Group is a U.K.-based technology company concentrating on cross-border money and currency transfers. On May 11, 2026, Wise's ordinary shares transferred to Nasdaq from the London Stock Exchange. The company said it made the move to the U.S. market as part of an effort to try to target the U.S. for its money transfer business. The company also expressed its intent to seek a U.S. bank charter.

The subsequently filed securities lawsuit complaint alleges that at the time the company made its U.S. move, it "materially understated the regulatory risk facing the Company, given that it was under active investigation by Belgian authorities." The Company also "materially understated the chance that Wise would not receive a national bank charter from the Office of the Comptroller of the Currency … in the U.S. as a result of 'longstanding,' material and pervasive concerns with Wise's anti-money laundering …protocols, and inadequate efforts to prevent terrorist financing, which were either known to Defendants or should have been known to Defendants."

On June 1, 2026, *Reuters* published an article reporting that the value of the company's shares had declined on news of a Belgian money-laundering investigation, reportedly involving more than half a billion euros ($582.5 million) in suspicious transactions. The Reuters article reported that the investigation "began last year and is nearing completion, concerns potential money laundering offences, with alleged links to fraud, corruption, and drug trafficking." The story also noted allegations that the company's services were "used by international criminal organizations." The complaint alleges that the company's shares fell on this news.

On July 24, 2025, the *Wall Street Journal* published an article reporting that the U.S. banking regulator had denied the company's application for a banking charter "citing long-standing deficiencies in anti-money laundering and countering of the financing of terrorism." The company 's share price fell further on this news.

*The Lawsuit*

On July 31, 2026, a plaintiff shareholder filed a securities class action lawsuit in the Southern District of New York against Wise and certain of its officers. The complaint purports to be filed on behalf of a class of investors who purchased the company's shares between May 11, 2026, and July 23, 2026.

The complaint alleges that the defendants made false or misleading statements or failed to disclose that: "(1) in order to have a successful debut on the NASDAQ, Defendants materially understated Wise's regulatory risk as a result of its materially deficient anti-money laundering efforts, as well as insufficient efforts to prevent the financing of terrorism; and (2) as a result, Defendants' statements about Wise's business, operations, and prospects were materially false and misleading and/or lacked a reasonable basis at all relevant times."

The complaint alleges that the defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The complaint seeks to recover damages on behalf of the class.

*Discussion*

Although the focus of the complaint is Wise company's alleged violation of anti-money laundering laws, the underlying allegations in fact relate to host of alleged violations of various cross-border laws and enforcement regimes, including those involving corruption and terrorism. The underlying allegations embody a series of cross-border concerns, all of which are magnified in the current fraught geopolitical environment.

While the current circumstances are an important element of the seriousness of the concerns involving the Wise company, it should also be noted that it is not necessarily a new development that alleged AML law violations can lead to D&O claims activity. For example, in January 2025, the money transfer company Block was hit with a securities suit based on allegations that the company's failure to maintain AML protocols had created a "haven for criminal and illicit activities." In our blog post (here) about the Block lawsuit, we linked to numerous prior securities suits filed based on underlying AML, export controls, or trade sanctions violations.

In light of the prior lawsuit filings, it could be argued that the issues underlying this complaint are not new. However, I believe that in the current geopolitical environment, these issues are even more complicated than in the past.

Geopolitical issues arising from the war in Ukraine and the conflict in Iran; the strains arising from the closure of the Strait of Hormuz; the trade war raging based on U.S. tariffs and other countries' countermeasures; and tensions arising from cross-border migration, among many other things, make for an unpredictable and potentially changeable global business environment.

As we have noted in our recent posts discussing geopolitical issues and their impact on the D&O arena, the geopolitical issues are becoming an increasingly important source of D&O risk and increasingly are translating into D&O claims. The geopolitical issues increasingly are impacting companies' operating circumstances and financial results, as well as companies' share prices, creating an environment in which D&O claims are increasingly likely to emerge.

There may or may not be further AML-related lawsuits filed in the coming months, but it seems likely that there will continue to be D&O claims arising from underlying geopolitical issues in the weeks and months ahead.

It is worth noting that this company had been a U.S.-listed company for only about three months when it was hit with this securities class action lawsuit. (Indeed, the first day of the proposed class period is in fact the day the company's shares began trading in the U.S.) If nothing else, this sequence of events shows the heightened litigation exposure for companies whose shares are listed on U.S. exchanges.

# More About “Silent AI” and Follow-On D&O Litigation

dandodiary.com/2026/08/articles/artificial-intelligence/more-about-silent-ai-and-follow-on-do-litigation

In a recent post (here), I wrote about a lawsuit that had just been filed against Microsoft’s board, alleging that the company’s directors had violated their fiduciary duties by knowingly allowing its AI development efforts to engage in copyright infringement. The case, I said, represented an example of “silent AI” – that is, the seepage of AI-related matters into various insurance coverages that were not consciously intended to provide coverage for certain exposures. The case showed how a matter that would not typically be covered under a D&O policy (copyright infringement) can translate into a potentially covered matter (a breach of fiduciary duty lawsuit).

In the latest example of this kind of lawsuit, a plaintiff shareholder has filed a derivative lawsuit against the board of Nvidia, alleging that its directors knowingly permitted its AI models to violate copyright holders’ rights and allowed violations of the Illinois Biometric Information Privacy Act (BIPA). Nvidia, the complaint alleges, has been the target of numerous copyright infringement actions, as well as class actions brought for alleged BIPA violations concerning individual voiceprints. The derivative lawsuit seeks to hold the company’s directors liable for the company’s “potentially massive liability and related costs and reputational damages” that the company faces in the underlying litigation. As discussed below, the new Nvidia derivative lawsuit, which may be found here, represents yet another example of “silent AI” in operation in the D&O context.

*Background*

Nvidia is best known as the manufacturer of computer-graphics hardware, particularly for its Graphics Processing Units (GPUs), but it has recently expanded into software and hardware for training and operating Artificial Intelligence (AI) software programs. Nvidia’s hardware and software are used by all “Frontier AI” companies that develop the most advanced AI systems. Nvidia AI models include multiple AI software programs called Large Language Models (LLMs).

*The Lawsuit*

The derivative complaint alleges that the LLMs were trained using copyrighted materials pirated from many sources. Among other things, the source materials allegedly included thousands of hours of human speech recordings. The human voice recordings allegedly were used in violation of BIPA (among other things, by failing to identify the speakers and to provide written notice or obtain a release).

The complaint alleges that the company's unauthorized use of copyrighted or protected materials "resulted in multiple copyright holders filing lawsuits against Nvidia based on Nvidia's failure to compensate them for downloading, copying, storing, or using their copyrighted words … for which Nvidia is now facing potential massive liability."

The complaint alleges that the defendant directors knew of these issues with Nvidia's use of copyrighted works without the copyrighted material owners' permission. The complaint further alleges that the defendant directors were "well aware" of the company's potential liability for copyright infringement, as well as potential liability for BIPA violations. Both the alleged copyright and BIPA violations have resulted in massive litigation against the company.

The complaint alleges that Nvidia is "now saddled with having to defend itself" in the litigation and is "facing potentially massive liability and related costs and reputational damages." The complaint seeks to hold the defendant directors liable for the harm to the company caused by their alleged breaches of their fiduciary duties.

*Discussion*

This new derivative lawsuit against Nvidia's board is not the first lawsuit of its type in which a company's directors were hit with a D&O lawsuit in which it is alleged that the directors violated their fiduciary duties by knowingly allowing the company's efforts to develop AI models and products to violate copyright holders' intellectual property rights. As noted at the top of this post, in June 2026, a plaintiff shareholder filed a lawsuit with similar allegations against the board of Microsoft (discussed here). And as discussed here, in April 2026, a plaintiff shareholder filed a similar derivative suit involving similar allegations against the board of Adobe. (Just an aside, this new lawsuit may be the first one to raise similar-type allegations with respect to alleged BIPA violations.)

As I noted with respect to the prior lawsuits, this new lawsuit may represent something of an emerging trend, in which matters that would not otherwise be covered under a D&O insurance policy (in this case, alleged copyright infringement) are tranformed into a claim presumptively covered by the D&O policy, through the means of a follow-on breach of fiduciary duty lawsuit.

There is nothing necessarily new about the phenomenon of a follow-on derivative lawsuit. For example, we recently discussed the follow-on lawsuit trend with respect to the derivative lawsuit filed against Uber's board, I which the plaintiff shareholder alleged that the defendant directors breached their fiduciary duties by allowing the company to pursue or continue practices and policies that allowed the company to be sued in extensive underlying sexual harassment and assault litigation. The Uber post cited numerous other prior examples in which follow-on suits claimed defendant directors had breached their fiduciary duties by knowingly allowing the company to take actions that resulted in underlying litigation against the company.

These kinds of follow-on lawsuits arguably represent examples of the oft-stated principle in the D&O arena that sooner or later everything becomes a D&O claim.

The common thread among these lawsuits is that the company has taken actions that resulted in underlying litigation against the company (usually litigation of a type that would not be covered by a D&O insurance policy) and that the underlying problem and ensuing litigation were the board's fault (allegations of a type that presumptively are covered under a D&O insurance policy).

As we noted in connection with the Microsoft lawsuit, these follow-on derivative suits relating to underlying copyright infringement illustrate another phenomenon – that is, "silent AI," the way in which non-covered underlying AI-related misconduct can seep into the D&O insurance policy through the follow-on fiduciary duty lawsuit. D&O insurers may well feel aggrieved because they never intended the D&O policy to pick up AI-related intellectual property liability.

These developments may be among the many reasons why the possibility of D&O insurers seeking to insert AI-related exclusions into their policies is currently under discussion in the D&O arena. With the D&O insurance market in an extended soft market phase, the possibility of the inclusion of these exclusions in most cases is a remote possibility. However, the insurance market is cyclical, and when the market eventually moves to the next phase, insurers may well seek to restrict their policies' exposure to "silent AI."

For now, it seems likely that as prospective litigants identify ways in which they have been harmed by artificial intelligence, the litigants' claims may at least potentially trigger parallel follow-on lawsuits, in which the underlying allegations are relied upon to support D&O liability claims. My guess is that there will be more lawsuits in the months ahead involving allegations similar to those alleged against the Nvidia board in this new lawsuit.

# SEC Charges Private Fund Adviser Adit Ventures Management, Its CEO and Affiliated General Partners in Alleged Fraud



The Securities and Exchange Commission today charged New York-based investment adviser Adit Ventures Management LLC, its CEO Eric Munson, and three affiliated general partners, Adit Ventures LLC; Adit Ventures II LLC; and Adit Ventures III LLC (the General Partners), for allegedly defrauding investors and client funds in connection with investments in pre-IPO shares, such as SpaceX and Klarna, including by misappropriating advisory client assets and charging millions in undisclosed fees.

According to the SEC's complaint, from at least April 2019 through December 2024, the defendants used false claims and promises to persuade investors to contribute capital to Adit-managed funds, including Munson soliciting an investor by falsely claiming that a fund owned shares of stock of a private, pre-IPO company. As alleged, the defendants regularly used client capital for their own benefit, including by taking unsecured loans from funds on favorable terms, and these transactions were not authorized by fund documents and generally not disclosed to investors.

"Investment advisers are entrusted with acting in their clients' best interests," said Corey A. Schuster, Chief of the Enforcement Division's Asset Management Unit. "Here, the defendants allegedly engaged in repeated fraudulent acts to benefit or enrich themselves. That misconduct has no place in investment advisory relationships where clients count on investment advisers being their fiduciaries."

The complaint, filed in the U.S. District Court for the Southern District of New York, further alleges that the defendants violated their fiduciary duties by buying pre-IPO shares and then causing client funds to buy those shares at a higher price, while misrepresenting the true cost of acquiring the shares to investors and without obtaining the requisite consent for these principal transactions. The defendants also allegedly overcharged their client funds millions in unauthorized "acquisition fees" and improperly pledged client assets as collateral for a $10 million line of credit, which was used in part to pay off the defendants' own obligations. The SEC also alleges that Adit Ventures Management failed to register as an investment adviser.

The complaint charges Munson, Adit Ventures Management, and the General Partners with violating the antifraud provisions of the Securities Act of 1933, the Securities Exchange Act of

1934 and the Investment Advisers Act of 1940, and charges Adit with violating the registration provisions of the Investment Advisers Act as well.

Without admitting the allegations in the complaint, the defendants consented to the entry of a judgment, subject to court approval, in which they agreed to be permanently enjoined from violating the charged provisions of federal securities laws, and agreed that the Court shall order them to pay disgorgement with prejudgment interest and a civil penalty in an amount to be determined by the court upon motion by the Commission. Munson also agreed to a forthcoming associational bar against him with a right to apply for reentry after three years.

The SEC appreciates the assistance of the Jersey Financial Services Commission.

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Last Reviewed or Updated: Aug. 10, 2026

Daily Labor Report

# AMPAM Plumbing Company Stock Plan Suit Settles for $13.8 Million

Aug. 11, 2026, 9:54 AM PDT

AMPAM Parks Mechanical Inc. workers negotiated a $13.75 million settlement in a lawsuit saying their employee stock ownership plan overpaid for shares in the plumbing subcontractor and then sold that stock for too little.

The proposed deal represents about 56% of the workers' estimated damages and is expected to provide a gross recovery of more than $12,000 to each of about 1,100 class members, the workers said in a Monday motion seeking preliminary approval from Judge Kenly Kiya Kato of the US District Court for the Central District of California.

- The lawsuit centers on a 2019 transaction in which AMPAM's former owners sold their shares to a newly established ESOP for $247 million — a price workers decried as wildly inflated
- It also challenges a 2023 transaction in which the plan was allegedly underpaid for stock it sold to a shell company controlled by certain AMPAM defendants
- Kato allowed the bulk of the case to advance in 2025

Cohen Milstein Sellers & Toll PLLC and Shaun Martin of San Diego represent the workers. Groom Law Group and Procopio, Cory, Hargreaves & Savitch LLP represent AMPAM and the selling shareholders. McDermott Will & Schulte LLP represents the plan's trustee.

The case is Ramirez v. AMPAM Parks Mech., Inc., C.D. Cal., No. 5:24-cv-01038, settlement motion 8/10/26.

# Del. Judge Recuses Herself From Apollo $570M Payout Suit

July 08, 2026



**Author:** Katryna Perera

## Summary

The Delaware vice chancellor presiding over litigation regarding a $570 million payout to Apollo Global Management Inc. insiders has disqualified herself from the case after a possible conflict of interest arose due to her former role as an attorney with Skadden Arps Slate Meagher & Flom LLP, which was involved in a merger with ties to the payout.

## Body

The Delaware vice chancellor presiding over litigation regarding a $570 million payout to Apollo Global Management Inc. insiders has disqualified herself from the case after a possible conflict of interest arose due to her former role as an attorney with Skadden Arps Slate Meagher & Flom LLP, which was involved in a merger with ties to the payout.

Vice Chancellor Bonnie W. David issued her decision to withdraw from the case Tuesday, and in a minute order entered into the suit's docket Wednesday, the action was immediately reassigned to Vice Chancellor Lori W. Will.

Vice Chancellor David did not provide reasoning for her decision to step back from the case.

Investor plaintiff Anguilla Social Security Board moved in May to disqualify the vice chancellor, citing a rule of the Delaware Judges' Code of Judicial Conduct.

The motion was initially filed under seal, but a letter sent to the judge by Joel Friedlander of Friedlander & Gorris, counsel for Anguilla, on May 12 cited Rule 2.11(A)(4)(a) of the judicial conduct code, which relates to instances in which a judge should disqualify themself if the judge's "impartiality might reasonably be questioned," including in connection with prior association with a law firm or the firm's attorneys.

The motion to disqualify said a Skadden deal team had represented Apollo in its January 2022 merger with Athene Holding Ltd. and noted that Vice Chancellor David was employed by Skadden in 2021.

"Although plaintiff does not challenge the merger, plaintiff's counsel now believes that defendants or the special litigation committee will make the merger 'a centerpiece of their defense,'" the vice chancellor wrote in a May letter seeking more information on the disqualification bid.

The vice chancellor was an attorney in Skadden's litigation department before joining the Chancery Court bench in 2023 as a magistrate in chancery and then as a vice chancellor starting last year. She joined Skadden as an associate in September 2014 and was promoted to counsel in June 2021.

Last month, a special litigation committee of Apollo opposed the disqualification bid, saying there were no legitimate factual or legal grounds for disqualification and the motion was untimely since Anguilla had been aware of Skadden's role in the merger for years.

The underlying litigation accuses Apollo's former chairman and CEO Leon Black and two others of dominating the business in the run-up to a $570 million payout to the three insiders in 2021.

Anguilla brought the suit in 2023, saying key Apollo board members and founders violated their fiduciary duty to investors in the $570 million transaction by falsely claiming the deal covered the costs of dismantling a previous tax structure benefiting preinitial public offering shareholders.

The litigation has been stayed pending an investigation of the special litigation committee to determine whether pursuing claims is in the best interest of Apollo and its shareholders.

Representatives for the parties did not immediately respond to request for comment Wednesday.

Anguilla Social Security Board is represented by Joel Friedlander, Jeffrey M. Gorris and Christopher M. Foulds of Friedlander & Gorris PA, Randall J. Baron and Christopher H. Lyons of Robbins Geller Rudman & Dowd LLP and Gladriel Shobe and Jarrod Shobe of Shobe & Shobe LLP.

Apollo's special litigation committee is represented by David E. Ross, Bradley Aronstam and Holly E. Newell of Ross Aronstam & Moritz LLP and Tariq Mundiya, Jeffrey B. Korn, Vanessa Richardson and Richard Li of Willkie Farr & Gallagher LLP.

Apollo Global Management Inc. is represented by Kevin R. Shannon, Matthew F. Davis and Daniel M. Rusk IV of Potter Anderson & Corroon LLP and Scott B. Luftglass and Michael P. Sternheim of Fried Frank Harris Shriver & Jacobson LLP.

Leon Black is represented by Michael A. Barlow, Judrick K. Fletcher, Michael B. Carlinsky and Jesse Bernstein of Quinn Emanuel Urquhart & Sullivan LLP.

The case is Anguilla Social Security Board v. Black et al., case number 2023-0846, in the Court of Chancery of the State of Delaware.

--Additional reporting by Rose Krebs. Editing by Stephen Berg.

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# Del. Justices Nix $16M Fee Award In SpaceX Investment Fight

July 10, 2026



**Author:** Katryna Perera

## Summary

The Delaware Supreme Court on Friday erased a $16 million fee award stemming from a dispute over a fund manager's handling of a failed $50 million SpaceX investment, concluding that although the fund manager committed a limited breach of a "duty of candor," shifting all litigation expenses to him was unwarranted.

## Body

The Delaware Supreme Court on Friday erased a $16 million fee award stemming from a dispute over a fund manager's handling of a failed $50 million SpaceX investment, concluding that although the fund manager committed a limited breach of a "duty of candor," shifting all litigation expenses to him was unwarranted.

The en banc court's opinion by Justice Abigail M. LeGrow said that the Delaware Chancery Court erred in awarding $16 million in attorney fees to Leo Investments Hong Kong Ltd. despite largely siding with defendant Tomales Bay Capital and its managing partner, Iqbaljit Kahlon.

The Chancery Court found a limited breach of a duty of candor and awarded Leo Group just $1 in nominal damages. On Friday, the Delaware justices said that because Leo Group had not actually succeeded "in a meaningful way" in the litigation, the fee award was unwarranted.

"At bottom, Leo Group prevailed on a single issue raised sua sponte by the court, resulting in an award of nominal damages. This single finding in favor of Leo Group does not warrant a fee award of nearly $16 million to compensate Leo Group for litigating a case that it lost on almost every issue," the opinion said.

The underlying dispute stems from a November 2021 deal in which Leo Group, affiliated with a Chinese public company, sought to invest $50 million in Space Exploration Technologies Corp. through a Tomales Bay-managed fund. Leo made a legally required public disclosure of the investment in China, which triggered media coverage.

SpaceX executives, who had not been alerted in advance, objected to the publicity and insisted that Leo be removed from the fund. Kahlon then forced Leo Group's withdrawal and returned its money, prompting Leo Group to sue in Chancery Court in 2022.

On Friday, the justices agreed with the Chancery Court on every part of its ruling besides the fee award, finding that the $1 nominal damages award to Leo Group was justified as the court's post-trial factual findings support the conclusion that Kahlon knowingly made misleading statements to Leo Group about its forced withdrawal from the investment, among other things.

"Although Leo Group failed to establish that it was entitled to compensatory damages, it was within the trial court's broad discretion to award $1 in nominal damages 'simply for the purpose of declaring an infraction of [Leo Group's] rights and the commission of a wrong,'" the opinion said.

On appeal, Leo Group argued the trial court looked too narrowly at Kahlon's reaction to SpaceX's objections, rather than the earlier conduct that led to the dispute, and told the justices that Kahlon failed to follow SpaceX's known preference for advance notice of investor disclosures and then made matters worse by mischaracterizing Leo Group's actions.

Those missteps should have defeated the "business judgment rule," a legal doctrine that typically shields managers from liability, and shifted the burden to the defendants to prove their actions were entirely fair, Leo Group argued. Under that framework, Tomales Bay could not justify forcing it out of the deal, it said.

However, on Friday, the Delaware Justices upheld the Chancery Court's findings that Kahlon did not breach his duties of loyalty or care.

"Leo Group's belief that Kahlon could have avoided the fallout by immediately informing SpaceX about the investment does not demonstrate that Kahlon's failure to do so was disloyal," the opinion said.

The Chancery Court also correctly found that Kahlon did not act disloyally in taking steps to force Leo Group's withdrawal from the investment, the justices said.

"Throughout, Kahlon acted out of self-interest, but that interest aligned with the fund's. The court did not err in finding that Kahlon did not breach his duty of loyalty," the opinion said.

Counsel for Tomales Bay declined to comment on Friday, and counsel for Leo Group did not immediately respond to requests for comment.

Leo Investments is represented by Eamon P. Joyce, Charlotte K. Newell and Tyler J. Domino of Sidley Austin LLP and A. Thompson Bayliss and Adam K. Schulman of Abrams & Bayliss LLP.

Tomales Bay and affiliates are represented by Aaron H. Marks, Amal El Bakhar, Ava Roche and George W. Hicks Jr. of Kirkland & Ellis LLP and David E. Ross, Eric D. Selden, Thomas A. Barr and A. Gage Whirley of Ross Aronstam & Moritz LLP.

The case is Tomales Bay Capital Anduril III LP et al. v. Leo Investments Hong Kong Ltd., case numbers 415,2025 and 428,2025, in the Supreme Court of the State of Delaware.

The underlying case is Leo Investments Hong Kong Ltd. v. Tomales Bay Capital Anduril III LP et al., case number 2022-0175, in the Court of Chancery of the State of Delaware.

--Additional reporting by Jarek Rutz. Editing by Brian Baresch.

# Attys Seek $39M Fee For $117.5M Comcast Data Breach Deal

July 17, 2026



**Author:** Rose Krebs

## Summary

Class counsel is urging a Pennsylvania federal judge to grant it a fee award amounting to one-third, or about $39 million, of a negotiated $117.5 million data breach settlement with Comcast, saying it deserves that amount for the work put in and the "extraordinary result achieved."

## Body

Class counsel is urging a Pennsylvania federal judge to grant it a fee award amounting to one-third, or about $39 million, of a negotiated $117.5 million data breach settlement with Comcast, saying it deserves that amount for the work put in and the "extraordinary result achieved."

In a filing Wednesday, class co-lead counsel Lynch Carpenter LLP and Stueve Siegel Hanson LLP, along with co-liaison counsel Levin Sedran & Berman LLP and Francis Mailman Soumilas PC, asserted that the $117.5 million settlement and fee bid are reasonable and should be approved to bring an end to claims brought by plaintiff Kenneth Hasson in his December 2023 suit.

"This historic settlement secures one of the largest common-fund recoveries ever achieved in a data breach class action and delivers what is, on a per capita basis, among the most valuable relief ever obtained in a major data breach settlement," the filing said.

A fee award equal to one-third of the settlement fund is within the range of amounts granted in other cases, Hasson's filing said.

Hasson urged the court to toss aside certain objections to the fees, including that the award request is excessive, arguing that some of the objectors "misstate both the value of the recovery to class members and how common-fund fees are calculated."

Other objections that asked the court to cap or award far less in fees "have no basis in the record," and the fee sought is "well within the range approved" in other cases in the Third Circuit, the filing said.

"There is no basis to reduce the fee to the arbitrary caps these objectors propose, particularly given the extraordinary result achieved here," the filing said.

Earlier this year, U.S. District Judge John Milton Younge granted initial approval of Comcast's deal to pay $117.5 million to resolve class claims alleging that the internet, TV, phone, and mobile services provider didn't take adequate cybersecurity measures to protect more than 31 million customers' sensitive information from an October 2023 cybersecurity attack.

The judge said that the agreement is preliminarily approved "as fair, reasonable, and adequate" and that "there would be substantial costs, risks, and delay associated with proceeding to trial and potential appeal." A final approval hearing is scheduled for next month.

The 31.6 million class members under the settlement include people residing in the United States and its territories who were sent individual notification of the data breach, which occurred in October 2023 and was publicly disclosed by Comcast in December 2023, according to a prior court filing.

Class counsel filed its fee motion and an accompanying brief in May, asserting that a fee award of one-third of the settlement amount, and reimbursement of about $432,000 in litigation costs, is reasonable "to compensate class counsel for achieving this extraordinary result and consistent with this circuit's precedent governing fee awards in common-fund cases."

"Achieving this result was no easy task," the May filing said. "For over two years, class counsel confronted sophisticated, well-resourced defendants and defense firms at every turn."

The filing added: "Class counsel's relentless pursuit of these claims ultimately achieved the $117,500,000 settlement after five separate mediation sessions spanning six days. Had the case not settled, plaintiffs would have likely faced years of hard-fought litigation with no guarantee that any judgment, if obtained, would have exceeded (or even matched) what the settlement provides."

Counsel for the parties didn't immediately respond Friday to requests for comment.

Hasson and the proposed class are represented by co-lead counsel Gary F. Lynch of Lynch Carpenter LLP and Norman E. Siegel of Stueve Siegel Hanson LLP and co-liaison counsel Charles E. Schaffer of Levin Sedran & Berman LLP and James A. Francis of Francis Mailman Soumilas PC.

Comcast is represented by Paul Bond, Justin Kadoura, Mark S. Melodia, Sophie L. Kletzien, Caitlin F. Saladrigas, William F. Farley and Steven A. Block of Holland & Knight LLP.

The case is Hasson v. Comcast Cable Communications LLC et al., case number 2:23-cv-05039, in the U.S. District Court for the Eastern District of Pennsylvania.

--Additional reporting by Bonnie Eslinger. Editing by Rich Mills.

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**End of Document**

# DOJ Unveils Law Firm Subpoenas In ABA Docs Bid Fight

July 17, 2026



**Author:** Ryan Boysen

## Summary

The BigLaw firms that cut deals with the Trump administration last year to skirt punitive executive orders are now grappling with subpoenas from the U.S. Department of Justice seeking deal-related communications and depositions of the firms' managing partners or chairs, according to Friday court filings.

## Body

The BigLaw firms that cut deals with the Trump administration last year to skirt punitive executive orders are now grappling with subpoenas from the U.S. Department of Justice seeking deal-related communications and depositions of the firms' managing partners or chairs, according to Friday court filings.

The subpoenas were reportedly sent out earlier this month, in direct response to an ongoing lawsuit by the American Bar Association, which claims the Trump administration's executive orders and memoranda amounted to an illegal "law firm intimidation policy."

The subpoenas were sent to 14 firms — including those that struck deals with the administration, and those that obtained court rulings striking down their targeting by the administration as unconstitutional.

They seek all communications from at least Jan. 20, 2025, with President Donald Trump's personal attorney, Boris Epshteyn, or with any of the other firms or the ABA that related to Epshteyn.

The subpoenas also seek communications, social media posts and direct messages relating to any agreements with the Trump administration or certain law firm executive orders.

Also sent were subpoenas for the firms' managing partners or chairs to testify at depositions.

The subpoenas were attached as an exhibit to the DOJ's Friday opposition to an ABA motion that urges the court to compel discovery for 16 requests for production directed to the Executive Office of the President.

The ABA said that each of its requests is "sufficiently narrow to compel the government defendants to choose whether to invoke the presidential communications privilege over the requested information."

Among the DOJ's arguments in its opposition is that the ABA has to first seek available alternative sources of discovery before seeking discovery from the White House.

Pointing to requests for production seeking White House communications with law firms, the DOJ noted that the ABA counts lawyers from every AmLaw 100 firm among its membership.

"Under Cheney, the separation of powers requires plaintiff to seek this information from its own members, or the law firms at issue, rather than going directly to the White House," the DOJ said, referring to the U.S. Supreme Court ruling in Cheney v. U.S. Dist. Ct. for D.C. "In fact, in keeping with Cheney, defendants have now subpoenaed each of these law firms to obtain the documents that plaintiff has requested."

"And to the extent, as plaintiff has suggested, these requested communications or agreements are 'not memorialized in a single document,' or any document at all, ... defendants have also subpoenaed the deposition testimony of the managing partners of these firms," it said.

In June, the ABA subpoenaed Boris Epshteyn, President Donald Trump's personal attorney, seeking information about how exactly he brokered the deals between nine prominent BigLaw firms and the Trump administration.

The DOJ's subpoenas essentially ask the nine settling firms and four other firms that fought the executive orders for the same information sought by the ABA.

The New York Times first reported the existence of the subpoenas.

In a statement, the DOJ said it sent the subpoenas "to reinforce our argument that the ABA should obtain this information from its own members, rather than a close presidential advisor."

The firms either declined to comment or did not respond to requests for comment.

The situation has put the spotlight back on the law firms that chose to settle with the Trump administration over executive orders that threatened to revoke their federal security clearances, their ability to represent government contractors and even their ability to enter federal courts.

The ABA sued the Trump administration last year over Trump's 2025 executive orders targeting law firms.

Those orders were aimed mainly at firms that had previously clashed with Trump in one way or another, and sought to strip firms' attorneys of security clearances and bar them from federal buildings. If those terms were successfully enforced, many attorneys believed they could have destroyed the affected firms.

A group of nine firms including Paul Weiss Rifkind Wharton & Garrison LLP, Skadden Arps Slate Meagher & Flom LLP, Kirkland & Ellis LLP and Latham & Watkins LLP struck deals with the administration, agreeing to provide nearly $1 billion in pro bono legal services aligned with the administration's values in exchange for a reprieve from the executive orders.

Perkins Coie LLP, Jenner & Block LLP, WilmerHale and Susman Godfrey LLP, meanwhile, fought back in court and obtained rulings striking down the orders as blatantly unconstitutional.

Critics slammed the settling firms as betraying their values, while some of the firms claimed they had little choice but to play ball, given their lucrative corporate practices that rely on obtaining regulatory sign-offs from federal agencies.

The ABA's lawsuit seeks to enjoin the Trump administration from issuing any further executive orders targeting law firms, claiming such orders were an outgrowth of an illegal "law firm intimidation policy" aiming to scare BigLaw firms away from challenging the government in high-stakes cases.

The ABA said the administration has used the executive branch's vast powers to "coerce lawyers and law firms to abandon clients, causes and policy positions" that Trump doesn't like.

As evidence, the ABA cited widespread reporting that many law firms have pulled back from legal work perceived as challenging the Trump administration, and that many BigLaw firms have instituted internal processes to avoid taking on cases that might make them "disfavored" by the administration.

The Trump administration has denied those allegations.

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.

--Editing by Linda Voorhis.

Update: This story has been updated with additional details on the DOJ's subpoenas.

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# [Live Nation Pushes Bid To Nix Antitrust Trial Loss]

July 06, 2026



**Author:** Christine DeRosa

## Summary

Live Nation is backing its bid for judgment in its favor and a new trial after state enforcers won a jury verdict finding the company monopolized key parts of the live entertainment industry.

## Body

Live Nation is backing its bid for judgment in its favor and a new trial after state enforcers won a jury verdict finding the company monopolized key parts of the live entertainment industry.

In a Thursday filing in New York federal court, Live Nation said that there hasn't been a claim in the case, let alone evidence, that anything the company did allowed them to raise prices or lower quality to artists and venues, and that is something that cannot be ignored.

"Particularly when we know why the evidence is missing: Artists make more at the allegedly monopolized amphitheaters, and Ticketmaster's prices to 'major concert venues' are no higher than to others and have been falling," Live Nation said in the filing.

Live Nation said that it's not surprising the plaintiffs talk past their arguments in their June opposition given that record and that "they can say there is sufficient evidence only by arguing there is precious little they had to prove, and nothing more for this court to do but rubberstamp the jury verdict. They are wrong on the law."

Live Nation said that the states are advancing a new argument that the company obtained and maintained control over the only large amphitheaters in 40 critical markets. Even if the company has, that's not the claim in the case; most of the acquisitions were decades ago and are time-barred, and the plaintiffs haven't done anything to prove that having a portfolio of amphitheaters is anticompetitive, Live Nation said.

Live Nation also argued that, even if artists were deprived of their choice of promoters, there's no evidence that means artists paid more or received lower quality services in the alleged large amphitheaters market. There is also no proof of an amphitheater market, according to Live Nation, as there's evidence artists regularly substitute large amphitheaters for other venues.

In the June opposition to Live Nation's post-trial motions, the states said that evidence showed Live Nation used its "monopoly power" to tie the use of its venues by artists to its concert promotion services.

Live Nation disputed that Thursday, stating that "there is zero evidence of any artist who wanted to choose a different promoter but did not. That should be dispositive."

Live Nation added that there's no proof of primary ticketing markets, no proof of anticompetitive effects and no proof of exclusionary conduct in regard to claims about ticketing.

Additionally, the company said that the plaintiffs' state law claims congruent with the Sherman Act fall too, and that the jury's finding of competitive impact in each state also cannot be sustained.

"As plaintiffs' opposition makes clear, they did not try to prove any state-specific harm at trial," Live Nation said. "The mere presence of a 'major concert venue' in various states, without evidence of competitive harm at that venue, does not establish in-state competitive harm."

The company also backed its bid asking the court to wipe out the damages award, contending it was based on testimony from economist Rosa Abrantes-Metz that was full of errors.

Live Nation also said in a second Thursday filing that if the court doesn't grant judgment as a matter of law, it should grant a new trial. According to the company, the plaintiffs downplayed the "quantity and impact of out-of-market price evidence, stale acquisitions and threats, and hearsay 'concerns.'"

"If the challenged evidence was improperly admitted (and it was), there can be little question it swayed the jury," Live Nation said. "The out-of-market price evidence masked the total lack of anticompetitive effects in the relevant markets, while the stale and hearsay evidence propped up the single 'threat' during the relevant time period. That was plaintiffs' narrative before the jury, and they are still relying on that evidence today. Compounding those errors, the jury instructions allowed the jury to assess anticompetitive effects under the wrong standard and did not give the jury guidance on how to assess the supposed threats that were the centerpiece of plaintiffs' case. Absent these errors, there is little reason to think the verdict would have been the same."

Live Nation said that, without the evidence on fees to fans, the jury likely wouldn't have found the "price effects, anticompetitive effects" the plaintiffs urged it to find based on that evidence.

Additionally, the plaintiffs' theories of exclusionary conduct in the defendant's ticketing markets would've been unsupported without the evidence on Live Nation's "stale conduct and venues' 'concerns,'" according to the filing. Without Abrantes-Metz's testimony, there would have been no overcharge finding, Live Nation argued.

Live Nation also reiterated its claims about alleged errors in the jury instructions, stating that the instructions misstated the law on market definition, anticompetitive effects, coercion and exclusive dealing and incorrectly omitted instructions on two forms of alleged exclusionary conduct.

The states had pushed back against Live Nation's post-trial motions on June 18, stating that Live Nation is asking the court to second-guess the jury by drawing its own inferences and ordering a new trial, if the court believes it would weigh the evidence differently than the jury. But a jury verdict is based heavily on the credibility of testifying witnesses, the states said, arguing that "a court should never substitute its own judgment for the jury's."

The states are pressing ahead with the case and a bid to force a sale of Live Nation's Ticketmaster unit, despite a midtrial settlement ending the U.S. Department of Justice's parallel claims.

When reached for comment on Monday, a DOJ official highlighted the settlement, which they said "will open up the ticketing marketplace by creating more opportunities for distribution and enable competition which will lower prices."

Representatives for Live Nation did not immediately respond to a request for comment, and a representative for the states declined to comment.

The states and D.C. are represented by their respective attorneys general and Jeffrey L. Kessler, Eva Cole, Johanna Rae Hudgens, Jeanifer Parsigian and Joshua Hafenbrack of Winston Taylor.

Live Nation and Ticketmaster are represented by Alfred Pfeiffer, David Marriott, Tim O'Mara, Jennifer L. Giordano, Andrew Gass, Kelly Fayne, Lindsey S. Champlin and Robin L. Gushman of Latham & Watkins LLP and Lauren A. Moskowitz, Jesse M. Weiss and Nicole M. Peles of Cravath Swaine & Moore LLP.

The case is U.S. et al. v. Live Nation et al., case number 1:24-cv-03973, in the U.S. District Court for the Southern District of New York.

--Additional reporting by Matt Perlman, Matthew Santoni and Pete Brush. Editing by Dave Trumbore.

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# Webtoon Investors Seek OK Of $10.1M Deal For Post-IPO Drop

**law360.com**/articles/2511762

(August 10, 2026, 9:55 PM EDT) -- Online comics platform Webtoon Entertainment Inc. has reached a $10.1 million deal with its investors to end claims that the company's registration statement for its 2024 initial public offering concealed the minimal growth the company was experiencing.

According to Friday's **motion for settlement**, the parties agreed to resolve the matter following a mediation session in June and "vigorous" litigation.

The settlement motion notes that Webtoon believes the investors' case could be "extremely limited" if the U.S. Supreme Court grants the petition for a **writ of certiorari** by the defendants in Robinhood Markets Inc. et al. v. Sodha , a case concerning whether a company can be sued over misstatements or omissions in registration statements when those misstatements allegedly stem from interim financial data.

"Plaintiff believes that, even if the Supreme Court both grants the writ and ultimately decides in the defendants' favor, he nonetheless has strong arguments against such decision having any impact on this case, but is regardless aware of the risk such a situation would pose," the motion states.

Lead counsel for the plaintiffs will request up to a fourth of the settlement fund, or about $2.5 million, in fees, up to $200,000 for expenses and up to $4,300 for lead plaintiff Byung-Gon Sung, the motion states.

In addition to Webtoon, the suit also names its CEO and founder Junkoo Kim, Chief Financial Officer David J. Lee, several other executives and its IPO underwriters, including UBS Securities LLC and J.P. Morgan Securities LLC, as defendants.

According to the complaint, Webtoon's platform allows its users to tell long-form stories in the form of weekly episodes. If approved, the settlement will end claims that Webtoon saw its trading prices decline by over 38% from nearly $21 per share to less than $13 after it announced minimal quarterly growth in its first quarterly earnings report as a public company.

The suit claims that in its IPO filings, the company concealed that during the second quarter of its 2024 fiscal year, it was seeing a slowdown in advertising revenue growth and a slowdown of revenue from its intellectual property adaptations business, plus growth offset from its exposure to weaker foreign currencies, including the Korean won and Japanese yen, which saw historic lows against the U.S. dollar during the quarter.

Additionally, the suit alleges Webtoon was experiencing a "multi-million user downward trend" in monthly average users, a metric described in the registration statement as "stable" and "durable."

The suit also claims that analysts generally reacted negatively to Webtoon's announcements in August 2024, with some noting that the results raised several "long-term concerns" for the company.

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

The investors are represented by Ellen Gusikoff Stewart, Debra J. Wyman, Robert R. Henssler Jr., Joseph J. Tull and Rachel C. Braby of Robbins Geller Rudman & Dowd LLP.

The Webtoon defendants are represented by Austin C. Norris, Edward Shelton Hillenbrand, Jordan D. Peterson and Stefan H. Atkinson of Kirkland and Ellis LLP.

The underwriter defendants are represented by Brian Michael Lutz and Jessica Valenzuela of Gibson Dunn and Crutcher LLP.

The case is Coy Brookman v. Webtoon Entertainment Inc. et al., case number 2:24-cv-07553, in the U.S. District Court for the Central District of California.

--Editing by Michael Watanabe.

# Electric Aircraft Biz Investors Settle SPAC Suit For $15M



(August 11, 2026, 1:37 PM EDT) -- Archer Aviation stockholders have reached a $15 million settlement in the Delaware Chancery Court to resolve litigation accusing the backers of the SPAC that took the electric-aircraft venture public of misleading investors about Archer's prospects and unfairly steering them into a $1.7 billion merger.

The proposed deal, filed on Monday, would end claims against billionaire Ken Moelis and other former Atlas Crest Investment Corp. officials after the case survived in large part a dismissal bid last year. The settlement requires court approval and would create a non-opt-out class of Atlas Crest investors who held shares at the September 2021 redemption deadline and chose not to cash out some or all of them.

"Plaintiffs and plaintiffs' counsel continue to believe that the claims asserted have merit, but also believe that the settlement set forth herein provides substantial and immediate benefits for the class," the stockholders said in the settlement stipulation.

The litigation stems from Atlas Crest's merger with Archer Aviation Inc., a developer of electric aircraft. Atlas Crest agreed to the combination in February 2021, and stockholders approved it on Sept. 14, 2021. The deal closed two days later, with Atlas Crest becoming Archer Aviation Inc.

Before the merger, Atlas Crest investors could redeem their shares rather than participate in the deal. Holders of about 24.2 million shares, or roughly 48.5% of Atlas Crest's public shares, did so. Stockholders Sonal Singh, Saheem Kundapur and Josh Wortman later challenged the transaction, accusing the defendants of breaches of fiduciary duty, aiding and abetting, and unjust enrichment.

Vice Chancellor Lori W. Will in July 2025 **largely refused to dismiss the case**, allowing claims to proceed against Moelis and several others. The stockholders alleged investors were given misleading information about Archer's aircraft development and financial outlook that prevented them from making a fully informed decision about whether to redeem their shares.

The parties proceeded to discovery, with the defendants and third parties producing 3,294 documents spanning about 67,000 pages. They attended mediation on June 4 before David Murphy of Phillips ADR Enterprises. Although that session ended without a deal, negotiations continued, and the parties accepted a double-blind mediator's proposal on June 5 to settle the litigation.

Under the agreement, the settling defendants Moelis, Michael Spellacy, Emanuel Pearlman, David Fox and Eileen Murray will pay or cause their insurers or indemnitors to fund the $15 million settlement. The payment is divided into an initial $1 million and a remaining $14 million, with the latter due after the court enters final judgment approving the deal.

After taxes, administrative expenses, attorney fees and other approved costs are deducted, the remaining money will be distributed to eligible class members under a court-approved allocation plan. Plaintiffs' counsel plans to seek fees and expenses of up to 20% of the $15 million fund, or as much as $3 million, and may request service awards of up to $2,500 for each named plaintiff.

The plaintiffs said they agreed to settle after weighing the uncertainty of continued litigation, the difficulty of proving liability and damages, the defendants' defenses, and the time and expense of taking the dispute through trial and potential appeals.

The defendants continue to deny wrongdoing, including allegations that the merger was unfair or that they breached duties owed to Atlas Crest stockholders. They said settlement would avoid the burden and cost of further litigation.

If approved, the settlement will dismiss the litigation with prejudice and release claims tied to the merger, its disclosures and the alleged impairment of Atlas Crest stockholders' redemption rights.

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

The plaintiffs are represented by Christine M. Mackintosh, Rebecca A. Musarra and Demetrius Davi of Grant & Eisenhofer PA, Randall J. Baron, Erik W. Luedeke, Jason M. Avellino and Christopher H. Lyons of Robbins Geller Rudman & Dowd LLP, Gregory E. Del Gaizo and Mario D. Valdovinos of Robbins LLP, and Peretz Bronstein and Eitan Kimelman of Bronstein Gewirtz & Grossman LLC.

Settling defendants Kenneth Moelis and Michael Spellacy are represented by Andrew Gordon, Jaren Janghorbani, Marques Tracy and Daniel A. Mason of Paul Weiss Rifkind Wharton & Garrison LLP.

Settling defendants Emanuel Pearlman, David Fox and Eileen Murray are represented by David E. Ross and S. Michael Sirkin of Ross Aronstam & Moritz LLP.

The case is In re Archer Aviation Stockholder Litigation, case number 2024-0527, in the Delaware Chancery Court.

--Additional reporting by Jeff Montgomery. Editing by Philip Shea.

# 4 Firms Vie To Lead Investor Class Action Against Roblox

law360.com/articles/2511750

Jonathan Capriel

(August 10, 2026, 9:04 PM EDT) -- Roblox investors who claim they've lost a combined $48 million after an age-verification rollout triggered an 18% stock price collapse are competing to lead the proposed securities class action in California federal court against the online game platform, with Motley Rice LLC, Johnson Van Kwawegen LLP, Grant & Eisenhofer PA and the Rosen Law Firm PA all arguing they are the best firm for the job.

Four investor groups are urging the court to consolidate two proposed class actions against Roblox while vying to be positioned as the lead plaintiff, according to the competing motions filed on Friday. Each tells the court that they would be the best to represent the proposed class that claims that Roblox, its CEO David Baszucki and other executives artificially inflated the company's stock price by minimizing risks from the mandatory age-check system while simultaneously touting "tremendous organic growth," according to the complaint.

But the new policy slowed down growth, and when the truth emerged in April, it caused the stock to drop from $55.26 to $45.13 per share, according to the complaint.

The investor group that claims to have suffered the most are four asset management funds operated by AQR Capital Management, with an estimated $23 million in losses on their 1.7 million shares, according to their **motion**. They argue that they are a perfect fit to be lead plaintiffs because they are exactly the "sophisticated institutional investors" that Congress sought to help when crafting the Private Securities Litigation Reform Act of 1995.

What's more, the AQR funds are represented by Johnson Van Kwawegen, whose lawyers have "decades of experience litigating securities class actions and have obtained billions of dollars in recoveries for investors," they said.

Johnson Van Kwawegen notes it intends to work with Cohen Milstein Sellers & Toll LLP as additional counsel, according to the funds' motion.

In a close second in terms of losses comes the Ohio Public Employees Retirement System and State Teachers Retirement System of Ohio. Together, they claim to have suffered more than $21.5 million in losses, according to their **motion**.

The pensions make similar arguments to the AQR funds. They are represented by Grant & Eisenhofer, which also touts billions of dollars in recoveries for investors, pointing to the **$3.2 billion** securities litigation settlement with Tyco International Inc. and the **$486 million settlement** with Pfizer Inc. over allegedly misleading investors about pain treatments Celebrex and Bextra.

Also seeking the lead plaintiff positions are Erste Asset Management and Police and Firemen's Retirement System of New Jersey, a public pension. They filed a **joint motion** claiming they lost a combined $2.7 million.

The two acknowledge they have not lost the most money, but Erste says the court named it as the lead plaintiff of a similar case. Additionally, the asset management firm said it has shown it can work with other investors, pointing to its collaborations with the New Jersey pension fund in filing the joint motion.

What's more, they say that their firm, Motley Rice, "has substantial experience representing defrauded investors and a demonstrated history of success serving as lead counsel in numerous securities fraud class actions."

The firm's "securities fraud resume" includes a **$140 million settlement** against Barrick Gold Corp. over environmental issues surrounding a South American gold mine, and an **$809.5 million settlement** Twitter Inc. paid out to investors.

Finally, there is individual investor Albert Oram, an ex-U.S. Navy pilot and former attorney who claims to have suffered $317,000 in losses. He is represented by Rosen Law, which "is experienced in securities litigation and class actions, having been appointed as lead counsel in securities class actions in this District and in numerous courts throughout the nation."

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

Roblox and its executives are represented by Caz Hashemi, Ignacio Evaristo Salceda and Rebecca Lynn Epstein of Wilson Sonsini Goodrich & Rosati PC.

Oram is represented by Laurence M. Rosen of The Rosen Law Firm PA.

Erste and the Police and Firemen's Retirement System of New Jersey are represented by Jenna N. Forster, Joshua C. Littlejohn, Christopher F. Moriarty and Andrew P. Arnold of Motley Rice LLC.

The AQR funds are represented by Lauren M. Cruz, Chad Johnson, Noam Mandel, Christopher J. Orrico, Desiree Cummings, Jonathan Zweig and Jai Chandrasekhar of Johnson Van Kwawegen LLP.

The Ohio funds are represented by M. Elizabeth Graham of Grant & Eisenhofer PA, and Karin E. Fisch and Vincent J. Pontrello of Grant & Eisenhofer PA.

The cases are Mukherjee v. Roblox Corp. et al., case number 4:26-cv-05489, and Police & Fire Retirement System of the City of Detroit v. Roblox Corp. et al., case number 3:26-cv-07160, in the U.S. District Court for the Northern District of California.

--Editing by Adam LoBelia.

# Boeing 737 Max Door Plug Suits Get Special Discovery Judge

law360.com/articles/2511728/boeing-737-max-door-plug-suits-get-special-discovery-judge

(August 10, 2026, 8:12 PM EDT) -- A Washington state court appointed retired King County Superior Court Judge Bruce W. Hilyer to oversee discovery matters in more than a dozen lawsuits related to the January 2024 blowout of a Boeing 737 Max 9 jet door plug that allegedly left passengers with physical and emotional injuries.

Judge Hilyer will have authority, as special discovery judge, to make rulings on discovery requests and on disputes arising during depositions, according to an Aug. 5 order from King County Superior Court Judge Nikole Hecklinger. He will also conduct status conferences and facilitate related discussions between the parties and the court, among other duties.

The court order instructed parties to advise Judge Hilyer on the status of discovery in the matters. Parties may also bring future discovery disputes directly to the retired judge unless circumstances require immediate review by the court itself.

The cases involve nearly 100 plaintiffs who've sued The Boeing Co. over the 2024 incident, in which an aircraft door panel was ejected from the body of an Alaska Airlines jet en route from Portland, Oregon, to Ontario, California. The matters have been "administratively linked" under local court rules, although they have not been consolidated into a single case.

Some of the suits name co-defendants beyond Boeing, including Alaska Airlines, Boeing-owned manufacturer Spirit Aerosystems Inc. and unidentified individuals allegedly responsible for the incident.

Passengers affected by the blowout have filed multiple lawsuits related to the incident in state and federal courts. Broadly they allege that the aircraft was defective as the result of mismanagement by Boeing leadership and that operators wrongly decided the jet was safe enough to carry passengers.

In one of the earliest suits, for example, plaintiffs in a **Jan. 11, 2024, proposed class action** accused Boeing of failing to identify or address defects in the 737 Max 9, which the aerospace giant allegedly assembled in Washington.

Four passengers in a subsequent suit, filed Jan. 16, 2024, additionally **claimed that Alaska was negligent** in failing to ensure that the door plug was secure before takeoff. They also alleged that the airline's leadership decided the plane was unsafe to operate over the ocean "but was somehow safe enough to fly over land," citing a National Transportation Safety Board report.

According to the latter complaint, passengers shortly after takeoff heard a sudden bang "loud enough to blast through the noise-cancelling Bose headphones." One plaintiff allegedly sent their mother a text message stating that the passengers had donned oxygen masks after the plane depressurized.

No one was killed in the incident, although the passengers claimed the blowout caused "havoc, fear, trauma, severe and extreme distress, and other injuries."

Passengers in a **separate 2025 lawsuit** said they "prepared for the impending crash and certain death" as "screams of panic and horror filled the plane."

Those plaintiffs claimed the NTSB had determined that Boeing removed four bolts securing the door plug in order to allow for work on the aircraft but failed to reinstall them before delivering the jet to Alaska Airlines.

In addition to passengers, plaintiffs in the suits include **crew members** who were working aboard the flight when the panel blew out.

In May, Judge Hecklinger decided to delay ruling on Boeing's motion to **bar punitive damages** in the case until after plaintiffs had an opportunity to conduct discovery around Boeing management's alleged role in the incident.

"The plaintiffs need to be diligent in pursuing this and getting these things resolved," Judge Hecklinger said.

Boeing told the court at the time that the passengers "want to boil the ocean in discovery" and "go head-hunting for former Boeing executives."

"They don't want to try their claims," the company's counsel contended. "They want to try Boeing as a company."

In appointing Judge Hilyer as special discovery judge, the court said plaintiffs and defendants will generally split the retired judge's compensation equally.

Counsel for some of the plaintiffs in the litigation welcomed Judge Hilyer as special discovery judge Monday.

"We have confidence in Judge Hilyer and in our case," Mark Lindquist of Mark Lindquist Law PLLC said in an emailed statement to Law360. "Our clients are happy with anything that keeps the case moving forward."

An attorney for other plaintiffs, Daniel R. Laurence of Stritmatter Law, described Judge Hilyer as a "well-respected former jurist and mediator."

"We have worked hard and in good faith to provide defendants with the information they reasonably need regarding each of our individual passenger clients' traumatic experiences," Laurence said in an email. "We are hopeful that if we encounter unreasonable requests or ongoing resistance in seeking truth from the defendants, he will be helpful in finding a reasonable, just resolution.

Counsel for the defendants did not immediately respond to requests for comment Monday.

Boeing is represented by Michael S. Paisner, Aletta S. Brenner and Renée E. Rothauge of Ashurst Perkins Coie US LLP.

Alaska Airlines is represented by Caryn Geraghty Jorgensen, Brett T. MacIntyre, Rachael R. Wallace and McKenzi A. Hoover of Stokes Lawrence PS.

Spirit Aerosystems is represented by Diane Westwood Wilson, Mark E. McKinnon, Mark A. Dombroff, Morgan W. Campbell, Paul N. Bowles III, James E. Breitenbucher and Grace Wan of Fox Rothschild LLP.

The cases are Margarita Anderson et al. v. The Boeing Co. et al., case number 25-2-00061-3, Ernst Talley v. The Boeing Co. et al., case number 24-2-00985-0, Adam Fisher v. The Boeing Co., case number 25-2-22022-2, Michelle Hughes v. The Boeing Co., case number 25-2-22023-1, Steven Maller v. The Boeing Co., case number 25-2-22024-9, Christine Vasconcellos v. The Boeing Co., case number 25-2-22025-7, Salvador Olivas Jr. et al. v The Boeing Co. et al., case number 25-2-29762-4, Joan Marin et al. v. The Boeing Co. et al., case number 25-2-35294-3, Hyun Choe et al. v. The Boeing Co. et al., case number 25-2-35321-4, Dave McCoy et al. v. The Boeing Co. et al., case number 25-2-39408-5, Kelly Bartlett et al. v. The Boeing Co. et al., case number 25-2-39609-6, Jian-Wei Khor et al. v. The Boeing Co. et al., case number 26-2-00710-1, Jeffrey Erickon et al. v. The Boeing Co. et al., case number 26-2-05121-6, and Vi Nguyen v. The Boeing Co. et al., case number 26-2-09749-6, all in the King County Superior Court.

--Additional reporting by Lauren Berg, Rachel Riley, and Linda Chiem. Editing by Jay Jackson Jr.