[23ANDME HOLDINGS: States to Get $18MM Under Ch.11 Data Breach Deal]

Troubled Company Reporter

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Body

Brian Steele of Law360 Bankruptcy Authority reports that a coalition representing more than 40 states announced Tuesday, July 14, 2026, that it will recover $18 million from 23andMe under the company's Chapter 11 bankruptcy settlement. The announcement came one week after the bankruptcy court approved a $46.75 million agreement resolving litigation related to a large-scale data breach affecting the DNA testing company.

The states alleged that deficiencies in the company's data protection practices contributed to the exposure of consumers' personal information. Their claims were incorporated into the broader settlement, which also resolves claims filed by individuals impacted by the cybersecurity incident, the report states.

State officials described the agreement as an important step toward accountability for companies entrusted with highly sensitive consumer information. The settlement also advances 23andMe's restructuring efforts by resolving another significant category of claims in its bankruptcy case, according to Law360.

About 23andMe Holding Co.

23andMe Holding Co. is a genetics-led consumer healthcare and biotechnology company in San Francisco, Calif. Through its direct-to-consumer genetic testing, 23andMe offers personalized insights into ancestry, genetic traits, and health risks. The company has developed a large database of genetic information from over 15 million customers, enabling it to provide health and carrier status reports and collaborate on genetic research for drug

development. On the Web: http://www.23andme.com/

On March 23, 2025, 23andMe and 11 affiliated debtors each filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code (Bankr. E.D. Mo. Lead Case No. 25-40976). 23andMe disclosed $277,422,000 in total assets against $214,702,000 in total liabilities as of Dec. 31, 2024.

Paul, Weiss, Rifkind, Wharton & Garrison, LLP, Morgan, Lewis & Bockius, LLP and Carmody MacDonald, PC serve as legal counsel to the Debtors while Alvarez & Marsal North America, LLC serve as the restructuring advisor. The Debtors tapped Reevemark, LLC and Scale Strategy Operations, LLC as communications advisors and Kroll Restructuring Administration Services, LLC as claims agent.

Lewis Rice LLC, Moelis & Company LLC, and Goodwin Procter LLP serve as special local counsel, investment banker, and legal advisor to the Special Committee of 23andMe's Board of Directors, respectively.

Jerry Jensen, Acting U.S. Trustee for Region 13, appointed an official committee to represent unsecured creditors in the Debtors' Chapter 11 cases. The committee tapped Kelley Drye & Warren, LLP and Stinson, LLP as legal counsel and FTI Consulting, Inc. as financial advisor.

Load Date: August 21, 2026

Class Action

Abbott Will Pay $670 Million to End 2,000 Infant Formula Claims

Aug. 20, 2026, 1:16 PM PDT

Abbott Laboratories agreed to pay $670 million to settle some lawsuits alleging that it hid the risk that its infant formula for premature babies can cause a deadly bowel disease.

The settlement resolves claims involving about 2,000 infants that allege the formula can cause a bowel disease called necrotizing enterocolitis, or NEC. With the agreement, about 1,700 lawsuits involving claims on behalf of 12,700 infants remain, according to the company, which said it's not admitting liability. The condition can cause the intestinal tissue of premature babies to inflame and die.

"While Abbott remains confident in the safety of these products and the science supporting them, the company believes these agreements are in its best long-term interest and represent a constructive step toward substantially resolving the overall litigation," the company said in a statement Thursday.

One of the lawsuits covered by the settlement includes a case in which a St. Louis jury said Abbott should pay $495 million to the family of an infant allegedly injured by its formula, according to the company. Abbott's appeal to the Missouri Court of Appeals was denied, the statement said.

Abbott had spent millions to lobby Congress unsuccessfully to help protect it from lawsuits related to NEC, Bloomberg reported last year.

Read More: Abbott Makes Baby Formula Threat to Shield Itself From Lawsuits

The company has maintained that there is nothing in the current research to back up the allegations it's facing in court. It sells its preemie formula under the popular Similac brand and had said two years ago it may have to stop selling the specialized product because of the lawsuits.

The medical community doesn't fully understand what causes NEC, though it does know that babies who receive breast milk are at a much lower risk of developing it than those who are given cow's milk-based formula.

Bloomberg Law

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Anthropic Expects to Match or Top SpaceX's Record IPO Size (1)
Aug. 20, 2026, 12:22 PM PDT

Summary by Bloomberg AI AI Generated

- Anthropic PBC expects to match or beat the size of SpaceX's record-setting initial public offering, according to people familiar with the matter.
- The company is running the numbers as it prepares to file publicly for its potential mega-IPO as soon as the end of this month, with discussions ongoing and details subject to change.
- Anthropic's target reflects how the AI industry's leaders are transforming the tech investment landscape, with the company having raised $65 billion in May at a $965 billion valuation.

Anthropic PBC expects to match or beat the size of SpaceX's record-setting initial public offering, according to people familiar with the matter, in the latest sign of overwhelming demand from investors looking to profit from the artificial intelligence boom.

The Claude developer is running the numbers as it prepares to file publicly for its potential mega-IPO as soon as the end of this month, the people said. Recent investor briefings led by Chief Financial Officer **Krishna Rao** skirted the question of valuation, they said.

Elon Musk's rocket and satellite firm raised $75 billion at the outset, making it the biggest first-time share sale ever, data compiled by Bloomberg show. The final figure increased to $86.2 billion with the so-called overallotment option, which is typically exercised if shares rise in early trading.

Discussions are ongoing and details of Anthropic's IPO including the size could change, the people said, asking not to be identified as the information isn't public. A representative for Anthropic couldn't immediately respond to requests for comment.

Anthropic's target reflects how the AI industry's leaders are transforming the tech investment landscape. The five-year-old company raised $65 billion in May at a $965 billion valuation, surpassing rival OpenAI 's valuation of $852 billion in March when the ChatGPT maker raised $122 billion.

Dario Amodei, co-founder and chief executive officer of Anthropic, speaking in India in February.
Photographer: Samyukta Lakshmi/Bloomberg

Though Anthropic saw positive adjusted operating income for the second quarter, it had a net loss of almost $42 billion in 2025, a roughly fivefold increase from about $8.3 billion the year before, according to documents seen by Bloomberg News.

Demand for AI has been growing at speed, as a sharp increase in Anthropic's revenue shows. The company saw preliminary second quarter revenue of more than $11.5 billion, compared to $787 million in the corresponding period in 2025, and its run rate, a metric that projects full-year revenue from a shorter period, hit $65 billion by the end of July, Bloomberg News reported.

Very High Cost

Anthropic and its rivals are grappling with the very high cost of building more advanced AI systems, some of the people said. Training so-called frontier models requires huge amounts of computing power — in just one of its agreements with data center owners, Anthropic agreed to a deal with SpaceX for computing resources that could be worth tens of billions of dollars over the next three years.

Anthropic is on track to make its public debut ahead of OpenAI, which is now looking at a listing in 2027, Bloomberg News reported. Both companies have filed confidentially for their respective listings.

Ahead of its public filing, Anthropic is set to finalize a revolving credit facility that will raise more than its roughly $10 billion target, people familiar with the matter have said.

Anthropic is working with Morgan Stanley, Goldman Sachs Group Inc. and JPMorgan Chase & Co. on the IPO, and other banks could be added, Bloomberg News has reported.

Anthropic is considering adopting so-called super-voting shares that would give Chief Executive Officer **Dario Amodei**, who owns about a 2% stake, and his fellow co-founders greater control over the company, a person familiar with the matter said. The Information was first to report the super-voting stock.

A first-time share sale topping SpaceX would easily power 2026 to become the best year on record for US IPO volume, data compiled by Bloomberg show. Newly listed companies have already raised $160.6 billion through August 19, trailing 2021's high watermark of $195.2 billion, the data show.

Anthropic's debut would add to a year that's already delivered two of the largest-ever listings, with South Korean chipmaker SK Hynix Inc. raising $26.5 billion in its first-time sale of American depositary receipts.

(Adds context to lede.)

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Judge grants motion to compel arbitration in Google antitrust suit

DJ dailyjournal.com/articles/393836-judge-grants-motion-to-compel-arbitration-in-google-antitrust-suit

A San Francisco judge granted Google's motion to compel arbitration and stay proceedings in an antitrust suit over the company's self-service advertising services, finding that the plaintiff's requested injunctive relief was private rather than public and therefore did not prevent arbitration.

The lawsuit, filed by Noah Stern, alleges he suffered damages from the company's alleged tying scheme and monopolization of self-service ad-buying tools.

Stern, a San Francisco resident who says he has maintained a Google Ads account for years, filed the suit in September 2025.

Theodore W. Maya, a partner at Ahdoot & Wolfson PC, argued during a hearing on the motion Monday that Stern's claims could not be lawfully compelled to arbitration because the suit seeks public injunctive relief.

Jessica Sessions of Freshfields LLP, representing Google, argued Monday that any benefits the public might experience were not the primary effect of the requested injunction.

San Francisco Superior Court Judge Ethan P. Schulman previously circulated a tentative order granting the motion and issued his order Wednesday. In the order, Schulman disagreed with Maya's argument that the injunction would primarily benefit the public.

"The Court finds that because Plaintiff seeks private rather than public injunctive relief, the claims are arbitrable," Schulman's order states. Stern v. Google LLC, No. CGC-25-629582 (San Francisco Super. Ct., filed Sept. 24, 2025).

The amended complaint, filed in June, alleges Google violated the Unfair Competition Law and the Cartwright Act and used its alleged monopoly in search advertising to monopolize the brokering of display advertising,

Maya argued that the claim goes "well beyond" Stern's individual claim. Maya argued Monday that the general public would benefit from public injunctive relief because consumers view advertisements placed through Google's services. Schulman's order outlined why the alleged conduct did not directly affect the public.

"Unlike the alleged false and deceptive advertising claims involved in McGill, Coinbase, and other similar cases, that is, the challenged conduct at issue here is directed solely at Defendant's commercial customers who are similarly situated to Plaintiff; it is not conduct directed at potential customers or the general public," Schulman's order states.

JUUL LABS: Co, Pritzker Face Court's Second Bailout Challenge

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Jennifer Kay of Bloomberg Law reports that a Delaware court has allowed a new lawsuit challenging Juul Labs Inc.'s rescue financing to proceed, requiring the vaping company and investor Nick Pritzker to continue defending allegations tied to the restructuring deal that prevented a bankruptcy filing.

The complaint alleges that Juul insiders and board members improperly benefited from a financing transaction that converted about $1.9 billion of company debt into equity. Investors have accused those involved of breaching fiduciary duties and engaging in conduct that unfairly affected other stakeholders.

The ruling comes after an earlier challenge to the same bailout arrangement was settled in 2024. Delaware Vice Chancellor Nathan A. Cook determined that the newer claims involving breach of fiduciary duty, aiding and abetting and unjust enrichment could proceed despite the prior settlement, the report states.

The latest litigation highlights continued scrutiny of Juul's financial restructuring efforts as the company seeks to move beyond years of regulatory battles and business setbacks. The rescue financing remains a key focus for investors questioning how value was allocated during the company
s financial crisis, according to
Bloomber.

About Juul Labs Inc.

JUUL Labs, Inc., formerly known as Pax Labs, Inc., is an American electronic cigarette company, with its principal place of business in San Francisco, California.

Marlboro cigarette maker Altria Group Inc (MO.N) paid $12.8 billion in 2018 for a 35% stake in Juul. Altria valued that stake at $450 million as of June 30, 2022.

Juul had been the market leader in e-cigarettes since 2018, according to Euromonitor International. As of 2020, the company held 54.7% share of the $9.38 billion U.S. e-vapor market.

On June 23, 2022, the U.S. Food and Drug Administration ordered Juul to remove its e-cigarettes from the U.S. market effective immediately, saying that Juul had failed to show the sale of its products would be appropriate for public health.

The Columbia Circuit Court of Appeals on June 24, 2022, granted Juul's emergency request for a stay, pending its appeal of the decision. The FDA later said it was withholding the ban as it was doing an additional review of the company's marketing application.

In July 2022, reports said that Juul was considering its options, including bankruptcy, and reportedly hired Kirkland & Ellis and Alvarez & Marsal, as well as bankers at Centerview Partners.

On Sept. 6, 2022, Juul agreed to pay $438.5 million to settle claims by 34 U.S. states and territories over its marketing and sales practices, including that it improperly courted teenage buyers.

On Sept. 20, 2022, Juul Labs sued the FDA in a federal court in Washington, D.C., over the agency's refusal to disclose documents supporting its order banning the company from selling e-cigarettes. The case is Juul Labs Inc v Food & Drug Administration, U.S. District Court, District of Columbia, No. 22-02853.

Load Date: August 21, 2026

The Practical Implications of Section 16(b) in Today's Data Driven Environment

law.com/newyorklawjournal/2026/08/21/the-practical-implications-of-section-16b-in-todays-data-driven-environment

Section 16(b) was meant to prevent short-term insider trading but now often functions as a mechanical tool driven by timing and data analysis. It can target routine, fully disclosed trades, sometimes unfairly. Companies should proactively monitor and document trades to manage risks. Despite its original purpose, understanding how the law is applied today is crucial for effective compliance.

Introduction

Section 16(b) of the Securities Exchange Act of 1934, also known as the "short-swing profit" rule, is a strict liability statute designed to deter insiders from engaging in speculative short-term trading. By precluding inquiries into motive, the statute created a predictable rule that could be applied consistently across issuers, insiders, and transactions.

What has changed is not the statute itself, but the environment in which it operates. The modern securities market is defined by immediate disclosure, widespread data availability, and the ability to systematically analyze insider activity. In that context, Section 16(b) has taken on a different character.

It is no longer simply a deterrent against insider abuse. It can become a mechanism triggered through the mechanical matching of transactions, often without regard to whether the underlying conduct resembles the type of speculative behavior the statute was designed to prevent.

This shift has important implications. Timing will always be the bedrock of Section 16(b), but public issuers and insiders alike are increasingly removed from insider trading scenarios. From a practitioner's perspective, the use of Section 16(b) has shifted into a profit vehicle for those who have become adept at analyzing market activity to quickly identify any insider activity. This article addresses the practical considerations of this shift.

A Short Primer on the Statutory Framework

At its core, Section 16(b) applies to any purchase and sale, or sale and purchase, of an issuer's equity securities within a period of less than six months by a director, officer, or beneficial owner of more than 10% of a covered class of the issuer's equity securities.

If the statutory elements are satisfied and no exemption applies, any resulting short-swing profit is recoverable by the issuer, without regard to whether the insider intended to trade on confidential information or acted with any improper purpose.

The statute therefore turns first on status, timing, transaction direction, and profit calculation. Purchases may be matched against sales, and sales may be matched against purchases, within the 6-month window; derivative securities and changes in beneficial ownership may also require analysis.

The result is a rigid framework of mechanical rules applied to transactions that look very different as a matter of purpose, economics, and market context.

A Shift from Deterrence to Detection

There is an apparent shift in the practical application of Section 16(b) from a mechanism for deterrence to a tool for detection. This is largely a function of transparency. Many reportable changes in beneficial ownership by Section 16 insiders are reported on Form 4 filings with the U.S. Securities and Exchange Commission and become publicly available through EDGAR shortly after filing.

Today, potential claims are often identified by simply tracking and pairing transactions over a 6-month period. Transactions are matched, profits are calculated, and demand letters immediately follow. This process is largely indifferent to context and whether any exemption may apply. Whether a trade reflects strategic decision-making, routine liquidity needs, or long-term investment considerations is typically irrelevant to the analysis.

Not every paired transaction creates liability. Section 16(b) and the SEC's rules include exemptions and interpretive principles that can remove certain transactions from the matching analysis, including properly approved issuer-insider transactions, certain employee-benefit-plan transactions, transactions that merely change the form of beneficial ownership, and other transactions that do not present the speculative abuse at which the statute is aimed.

Those exemptions, however, are transaction-specific, and a small change in structure can change the analysis. For example, Rule 16b-3 can exempt certain transactions between the public company issuer and its officers or directors.

The statute supports exempt treatment for a capital raise in which an officer or director is authorized, by proper board or committee approval, to purchase company shares directly from the issuer.

However, according to SEC guidance, if the insider purchases the shares through or from an underwriter, rather than directly from the company, the exemption does not apply. The SEC's explanation is that the exemption was not meant to cover anyone other than the issuer, who controls “to whom the sales are made and on what terms.”

In practice, this treatment can yield outcomes that issuers and insiders view as inequitable. Insider 1, whose shares were purchased in a board-approved capital raise directly from the issuer, is exempted from Section 16(b) liability, assuming there was a matching sale within the prior six months. Insider 2, whose shares were purchased in the same board-approved capital raise through or from an underwriter, is not exempted from Section 16(b) liability, again assuming there was a matching sale within the prior six months.

Insider 1 gets to retain any otherwise recoverable short-swing profit between the prior sale and current purchase; Insider 2, however, must disgorge.

Section 16(b) is already a rule that can produce outcomes that issuers and insiders may view as inequitable. This is exacerbated by today’s environment; demands under the rule are increasingly made without a sufficient analysis of the underlying circumstances and transaction structure, which may give rise to an exemption.

A Framework That Raises Practical Questions

Today, Section 16(b) raises a series of practical and policy considerations that are becoming difficult for issuers and insiders to ignore. These are not questions about the validity of the statute, but about how its application aligns with its original purpose.

Was Section 16(b) really intended to operate this way?

That question matters because Section 16(b)’s mechanics can capture, and subject to expensive scrutiny and potential litigation, routine transactions that are fully disclosed, non-opportunistic, and ordinary in their commercial purpose.

The relevant inquiry is not whether the insider exploited an informational advantage, but whether the statutory elements and available exemptions leave two opposite-way transactions matchable within six months. The result is that application can turn on structure, timing, and exemption availability rather than on a qualitative assessment of conduct.

Consider two scenarios. In the first, an insider sells shares that have been held for several years as part of a routine liquidity decision, and then, five and a half months later, repurchases shares at a modest price differential, perhaps to support or reinvest in the company. The resulting “profit” is incidental and limited.

In the second, an insider purchases shares and, within a matter of weeks, sells those same shares after gaining access to material non-public information, generating a significant profit tied directly to that informational advantage.

Both scenarios fall within the scope of Section 16(b) if the statutory elements are met. Yet they implicate very different concerns. The former reflects ordinary, fully disclosed activity with minimal economic impact, while the latter aligns closely with the type of opportunistic conduct the statute was designed to deter.

The statute does not distinguish between them. This lack of differentiation underscores how broadly Section 16(b) can operate in practice, and how frustrating calculated enforcement can be for those issuers and insiders who are impacted.

Should attorneys' fees follow as a matter of course when profits are returned within 60 days?

The fee structure associated with Section 16(b) reflects the statute's reliance on private enforcement. The statutory framework allows the issuer to recover short-swing profits and permits a security holder to sue on the issuer's behalf if the issuer fails or refuses to bring suit within 60 days after demand, or fails diligently to prosecute the claim thereafter.

This ensures that potential violations do not go unaddressed. At the same time, when profits are promptly returned and liability is not contested, the routine imposition of attorneys' fees raises questions of proportionality.

Even though fees are routinely calculated as a percentage of the recovery, the recovery itself may bear little relationship to the insider's actual economic gain.

Courts have long applied a formula that pairs the highest sale price with the lowest purchase price within the six-month window, without netting losses or considering the broader context of the transactions. Additionally, only "matched" transactions factor into the calculation of the short-swing profit to be disgorged. For instance, a sale of 100,000 shares at $1.00 on January 1 yields a return of $100,000 for the insider.

A subsequent purchase of 200,000 shares at $0.50 on May 1 yields an expenditure of $100,000 for the insider. The real-world profit between these two transactions is $0.00. However, for purposes of calculating the Section 16(b) short-swing profit, only 100,000 of the 200,000 shares purchased on May 1 is matchable with the 100,000 shares sold on Jan. 1.

The matched purchase cost is therefore $50,000 under a Section 16(b) calculation, not the insider's full $100,000 expenditure. The insider therefore has a calculated Section 16(b) short-swing profit of $50,000 ($100,000 minus $50,000) between the January 1 and May 1 transactions that must be disgorged, absent an exemption. As a result, the calculated "profit" exceeds the insider's real-world gain.

In these circumstances, any attorneys' fee award calculated as a percentage of the recovery would exceed the insider's actual economic gain. This is even more stark in situations involving multiple trades or fluctuating prices. When fees are then assessed as a percentage of the calculated short-swing profit, the financial impact can be significant, even where the underlying conduct is limited in scope and economic effect.

Does a nominal shareholder meaningfully represent the company's interests in these situations?

The statutory framework permits any shareholder to act if the issuer does not pursue recovery. In practice, these actions are frequently initiated by shareholders with minimal economic exposure, and in some cases, a shareholder may purchase shares after the alleged short-swing transaction simply to establish standing to bring suit.

Such holders are, in effect, serving primarily and perhaps exclusively as vehicles for enforcement. While entirely permissible, this dynamic highlights the extent to which the process is driven by structure rather than by genuine prevention of insider trading.

The Real-World Impact on Issuers and Insiders

For public companies, this evolution has practical consequences. Section 16(b) exposure is no longer an infrequent issue tied to questionable trading activity. It is a recurring risk that arises from the routine execution of insider transactions.

In this environment, compliance is no longer limited to accurate reporting. Proposed transactions should be tested before execution, not after a demand letter arrives.

The availability of an exemption may depend on details that appear ministerial in the transaction documents, including who is on the other side of the trade, whether board or committee approval was properly obtained, whether the transaction is with the issuer or an intermediary, and whether the transaction changes economic exposure or merely changes the form in which beneficial ownership is held.

Even well-intentioned trades can create exposure if they are not evaluated against opposite-way transactions during the prior and next six months, derivative-security activity, beneficial ownership changes, and potentially available statutory or rule-based exemptions.

This places a premium on process. At a minimum, issuers should consider implementing procedures that include, but are not limited to, the following:

· Maintain rolling six-month transaction histories for each Section 16 insider;

· Pre-clear open-market trades, issuer-direct transactions, equity-award activity, and derivative transactions, and confirm whether any proposed transaction can be matched with prior purchases or sales;

· Document board or committee approvals intended to support Rule 16b-3 treatment;

· Identify whether a transaction is being made directly with the issuer or through an intermediary;

· Coordinate trading-window procedures with counsel before execution.

Without such safeguards, companies and insiders are left reacting to outcomes that are entirely predictable, yet often overlooked.

A Measured Perspective on a Rigid Rule

Section 16(b) continues to serve an important role in the securities law framework. Its clarity and predictability remain valuable, particularly in deterring short-term trading by insiders.

At the same time, its modern application reflects a reality in which enforcement is driven by timing, data, and rigid structure rather than by a qualitative assessment of conduct. The outcomes produced by the statute are shaped by a system that did not exist when it was enacted.

For issuers and insiders, the takeaway is that Section 16(b) must be understood in this context. It is no longer enough to simply know what the statute says; companies must appreciate how it is applied on an increasingly regular basis. A disciplined approach that involves establishing safeguards like the ones identified above can be helpful in navigating this new reality.

US judge rejects Disney bid for quick hearing in FCC lawsuit

reuters.com/world/us-justice-department-opposes-immediate-hearing-disney-abc-license-lawsuit-2026-08-20

WASHINGTON, Aug 20 (Reuters) - A U.S. judge rejected a request by Disney (DIS.N), opens new tab on Thursday for an urgent hearing on its lawsuit seeking to block the Federal Communications Commission's early review of licenses for the entertainment giant's eight company-owned ABC stations.

U.S. District Judge Loren AliKhan in Washington denied Disney's request to hold a hearing by Tuesday on the company's motion for a temporary restraining order after the government said that was not necessary. The FCC has agreed to provide at least 48 hours' notice before issuing an order to refer Disney's ABC licenses for a hearing.

The ruling is the latest development in a legal battle that poses a key test of broadcasters' free speech rights amid President Donald Trump's repeated calls for ABC to lose its licenses over programming he dislikes.

The judge directed both sides to file a series of legal papers on the request by September 24 and will hold a hearing in early October on the matter.

She added that if the FCC issued a hearing order both sides would need to appear in court the following day so the court could hear arguments on whether a temporary restraining order is warranted.

"We are pleased that the judge has now rejected Disney’s meritless attempt to rush into court. The court also sided with the FCC over Disney on the schedule going forward and has declined Disney’s request for an immediate injunction," an FCC spokesperson said.

Disney did not immediately comment.

Trump has waged an aggressive series of attacks on the news media and the latest move follows a two-year-long battle between Trump and Disney. Last month, Trump again called for ABC stations to lose their licenses because the network refused to air a prime-time speech on elections.

Disney said in its suit the FCC was seeking to coerce and retaliate against "a network that refuses to bow to the administration's demands," calling the agency's actions an "extraordinary assault on free speech."

FCC Chair Brendan Carr said the Disney lawsuit lacked merit and that he has not made a decision on whether to refer the Disney licenses for a hearing.

Reporting by David Shepardson; Editing by Mark Porter and Sanjeev Miglani

Blood-sugar supplement sellers face suit over 'evil' spam ads | Secondary Sources | National

(August 21, 2026) - A group of dietary supplement distributors and an online retailer used a "predatory spam funnel" and tracking scheme to market a blood-sugar product, according to a proposed class action filed in California federal court.

Swanlund v. Amplify Distribution LLC et al., No. 26-cv-2290, *complaint filed* (C.D. Cal. Aug. 17, 2026).

The "evil" campaign to sell the supplement GlycoReset is "disgusting because it targets vulnerable consumers concerned about blood sugar and metabolic health," Cheryl Swanlund says in a complaint filed Aug. 17 in the U.S. District Court for the Central District of California.

The suit names as defendants Amplify Distribution LLC, BuyGoods Inc. and other entities involved in selling the blood-sugar supplement.

'Big lie'

Swanlund says she received unsolicited emails with misleading subject lines like "The hidden reason your blood sugar won't stabilize."

According to the complaint, the marketing campaign used a fake CBS News report and an AI-generated "deepfake" of a prominent Harvard researcher, and falsely claimed that GlycoReset was a miracle drug that could reverse diabetes.

"The big lie is simple: A blood-sugar supplement sold through an affiliate funnel is not a secret medical breakthrough," the complaint says. "It is not a diabetes treatment. It is not a substitute for physician-supervised care. … It also cannot lawfully be marketed as curing, reversing, treating, or stabilizing pathological blood sugar conditions."

The suit claims these emails violate California's anti-spam statute, Cal. Bus. & Prof. Code § 17529.5, because the sender's name, "Blood Sugar Alert," and the originating address, hpntnykudtrfac.66055717466964@cgcynr.u8cxbo.n8e1wd.us, were falsified to conceal the true advertiser.
In addition, clicking links in the email captures routing and signaling information using "performance-marketing instruments built to track, attribute, and monetize the visit" that

violate the California Invasion of Privacy Act, Cal. Penal Code §§ 631 and 638.51, the complaint says.
The lawsuit describes an "unusually opaque and shifting distribution structure" that obscures those profiting from the sales. The complaint names Amplify Distribution, Dolus Trading LLC, MADA LAV LLC, Ovicia Naturals LLC and Vivalis LLC as distributor defendants.

BuyGoods Inc. is named as the merchant of record that allegedly hosted the sales environment, processed payments, and retained a portion of the revenue from each transaction generated by the spam campaign.

The suit seeks to represent a class of all California residents who received the emails and a separate class of residents whose data was tracked. It seeks damages, including $1,000 for each unlawful email, and an injunction to stop the marketing practices.

By Westlaw Today

US teen drops lawsuit against Meta, Google and Snap ahead of trial | Business Information & News | FE

Aug 20 (Reuters) - A teen girl whose lawsuit was a test case in litigation accusing social media companies of deliberately addicting young people and fueling a mental health crisis dropped her claims against the owners of Instagram, Facebook, YouTube and Snapchat on Thursday, according to a court filing.

The plaintiff, a 15-year-old girl from New Jersey identified in California court records as P. M-Y., had alleged the platforms' owners — Meta Platforms, Google and Snap Inc — contributed to her social media addiction, depression and self-harm.

The companies said she dropped her claims without any payment. TikTok, which was also a defendant in her case, had previously settled her claims.

Emily Jeffcott, an attorney for P.M-Y., said in a statement her client chose to dismiss the remainder of her claims out of a desire to resume her life.

She "initiated this process with the goal of holding social media companies accountable and to push for changes to protect young people like herself," Jeffcott said.

Meta, owner of Facebook and Instagram, is defending itself at two trials over claims from states that it designed its platforms to be addictive to children and misled the public about their safety. One trial, which began this week and deals with the claims of 29 states, is proceeding in federal court in Oakland, California, while another, over claims brought by Tennessee, is ongoing in state court in Nashville.

The lawsuits are among thousands brought by individuals, states and school districts against social media companies over claims their platforms harm children. The companies have denied the allegations and say they take extensive steps to keep teens and young users safe on their platforms.

TEST CASES

P. M-Y.'s lawsuit was among more than 3,300 personal injury cases brought by individuals that were consolidated in California state court in Los Angeles. It was selected as one of three "bellwether" or test cases scheduled to go to trial in October.

Attorneys often use bellwether verdicts to gauge how juries may view similar claims, helping them assess the potential value of remaining cases and guide settlement negotiations.

"This plaintiff had a significant mental health condition that pre-dated her use of social media, and it's clear that many of these cases fit the same pattern," Meta said in a statement, adding that it would vigorously defend against the remaining cases.

In a statement, Google-owned YouTube said the decision to drop the case affirms "our longstanding position that we provide safe, age-appropriate experiences and strong parental controls for young people and families."

A Snap spokesperson said in a statement the company remains focused on strengthening safeguards, tools and educational resources to support users' safety, privacy and well-being.

Two other cases brought by teens making similar claims against the same companies are scheduled for trial in October, according to court records. TikTok has already settled those cases.

Another bellwether case ended before trial in July, when a teenage plaintiff dropped his claims against Meta after the other defendants settled.

The first individual trial in the litigation, which ended in March, resulted in verdicts amounting to $4.2 million against Meta and $1.8 million against Google in a case brought by a woman who said she became addicted to social media platforms at a young age because of their attention-grabbing design. TikTok and Snap settled that case before trial.

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Trump Administration Looks to Block ABA’s Law School Oversight

Aug. 21, 2026, 6:46 AM PDT

Summary by Bloomberg AI

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- The Education Department is taking steps to revoke the American Bar Association's law school accreditation power after finding the accreditor out of compliance with the agency's accreditation regulations and recognition standards.
- ABA officials are set to meet with the Education Department to seek reauthorization of the organization's law school accreditation power, which makes the ABA a gatekeeper for which graduates qualify for admission to practice law.
- The ABA's accreditation council is expected to vote to scrap a diversity, equity and inclusion rule for law schools that has been on hold since the Trump administration threatened the organization's law school oversight function.

The Education Department is taking steps to revoke the American Bar Association’s law school accreditation power after years of mounting tensions between the organization and the Trump administration.

“After reviewing ABA’s accreditation standards, Department staff found the accreditor out of compliance with the agency’s accreditation regulations and recognition standards,” a spokesperson for the department said in a statement. “We will not comment on details as the process is ongoing and involves multiple stages of review, including by an independent, bipartisan advisory committee in September.”

ABA officials are set to meet next month with the Education Department to seek reauthorization of the organization’s longstanding law school accreditation power. The role in accrediting law schools makes the ABA something of a gatekeeper for which graduates qualify for admission to practice law.

A council within the American Bar Association that is responsible for accrediting law schools is expected to vote Friday afternoon to officially scrap a diversity, equity and inclusion rule for law schools that has been on hold since shortly after Trump returned to the White House last year. The rule made the ABA an early target of the Trump administration in the president's second term, as Attorney General Pam Bondi and others threatened the organization's law school oversight function and Elon Musk's DOGE slashed federal grant money.

"Although it is difficult to comment on a recommendation we haven't yet received, we look forward to the opportunity to address any misconceptions and clarify the record," Melissa Hart, who leads the ABA's accreditation council, said in a statement. "As a national accrediting body for American law schools, we remain focused on ensuring quality legal education that produces competent, ethical attorneys who are eligible for licensure."

The council is enabled to potentially deliver the final blow to the rule—Standard 205—after an Aug. 4 vote by the ABA's House of Delegates to vote on resolutions without delegation approval.

Texas in January shifted accreditation authority to the state's Supreme Court, while Florida and Ohio are among have moved to weaken the ABA's power.

The Wall Street Journal was the first to report on the Education Department's findings.

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United Healthcare Wins Bid to Terminate Online Tracker Lawsuit

Aug. 20, 2026, 9:31 AM PDT

Summary by Bloomberg AI

AI Generated

- United Healthcare Services Inc. was permanently defeated in a proposed class action alleging it collected and disclosed personal information without consent.
- Judge William B. Shubb said lead plaintiff Joanne Magliocca failed to allege a concrete injury sufficient to establish standing to sue in federal court.
- Magliocca's allegations of injury from United Healthcare's use of online tracking tools were insufficient to confer standing, according to Shubb.

United Healthcare Services Inc. permanently defeated a proposed class action alleging it collected and disclosed the personal information of website visitors without their consent in violation of state and federal wiretap laws.

Lead plaintiff Joanne Magliocca failed to allege a concrete injury sufficient to establish standing to sue in federal court, Judge William B. Shubb of the US District Court for the Eastern District of California said Wednesday.

Shubb granted UHS's motion to dismiss her original complaint in April for similar reasons.

Magliocca alleged that UHS incorporated tracking pixels from Google LLC, Meta Platforms Inc., Microsoft Corp., and Adobe Systems Inc. on its website. The pixels allowed the providers to collect consumers' health information and use it to target them with advertising, the complaint said.

The amended complaint brought claims of invasion of privacy under the California Constitution and violations of the Electronic Communications Privacy Act, the California Invasion of Privacy Act, and the Computer Data Access and Fraud Act.

Magliocca added new allegations describing her injuries from UHS's use of online tracking tools, but they were still insufficient to confer standing, Shubb said.

Although she communicated “private health insurance interests” and “financial-coverage preferences” when she clicked on a Medicare plan on the UHS website, she didn’t explain how the information UHC collected from her visit pertained to her past, present, or future physical or mental health, Shubb said.

This information was nothing more than publicly available health data concerning the generic terms of a UHS-offered health plan that she didn’t even enroll in, he said.

Other data collected by the tracking tools — related to button clicks, page visits, and session lengths — was the kind of non-sensitive data from browsing activity on a single site that courts have repeatedly found insufficient to establish a concrete injury, he said.

“As in the court’s prior order, the mere collection of plaintiff’s generic insurance browsing data is not enough to demonstrate the concrete harm necessary to reach an Article III injury-in-fact,” Shubb said.

The Right Trial Lawyers represented Magliocca. Hogan Lovells US LLP represented United Healthcare.

The case is Magliocca v. United Healthcare Servs. , E.D. Cal., No. 2:25-cv-03388, 8/19/26 .

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Ticket Buyers Ask 2nd Circ. To Nix Live Nation Arbitration

law360.com/articles/2515616

(August 20, 2026, 7:28 PM EDT) -- Concertgoers who purchased tickets on the secondary market are asking the Second Circuit to vacate a lower court's decision forcing them to arbitrate their antitrust claims against Live Nation and its Ticketmaster unit.

The consumers filed a mandamus petition Wednesday, asking the appeals court to reverse U.S. District Judge Arun Subramanian's ruling in late June that granted Live Nation's motion to **compel arbitration** and stayed the New York federal court proceedings.

The case alleges that the consumers overpaid for concert tickets purchased on the secondary market from third parties like StubHub due to Live Nation's monopolization of the live entertainment industry.

The petition said the ruling was based on purported arbitration agreements that were either wholly separate from the consumers' purchases or were entered into after they paid the third parties for the tickets.

"None of those purported agreements caused the dispute here … yet the district court granted defendants' motion to compel arbitration and stay proceedings," Wednesday's petition said.

In order to invoke the Federal Arbitration Act to compel arbitration, the petition said Live Nation was required to demonstrate that the contracts containing the arbitration provisions "caused" the antitrust controversy at issue.

The consumers found and purchased their tickets through third-party secondary ticketing platforms, like StubHub, and the petition said they were not told they were interacting with Ticketmaster during that process. But after they paid the "supra-competitive" prices, the petition said Ticketmaster forced them to agree to its terms of service before allowing them to access their tickets.

"Live performances are extremely important to plaintiffs, and they therefore had little choice but to accede (unwillingly) to defendants' belated demand that they agree to the terms in order to access their tickets (despite having already fulfilled their side of the purchase bargain)," the petition said.

The antitrust claims are similar to those being brought by **federal and state enforcers** against Live Nation, accusing the company of monopolizing key aspects of the live entertainment industry following its 2010 purchase of Ticketmaster. Judge Subramanian is overseeing that case as well.

The consumers and enforcers both allege Live Nation monopolized ticketing services for large music venues through long-term exclusive contracts and threats to withhold concerts from venues that used Ticketmaster alternatives. Live Nation is also accused of conditioning access to its large amphitheaters on artists using its promotion services.

The U.S. Department of Justice settled the federal government's claims against Live Nation **a week into trial** earlier this year, while enforcers from 33 states and the District of Columbia pressed ahead and **won a jury verdict**. Live Nation is **challenging** the verdict as the state enforcers prepare for a remedies proceeding where they plan to ask the court for an order forcing a sale of Ticketmaster.

Judge Subramanian granted Live Nation's motion to compel arbitration of the consumers' claims in late June. The judge found the consumers agreed to Ticketmaster's terms on multiple occasions, including when they opened their accounts years earlier and when they purchased tickets to events unrelated to the antitrust litigation.

Wednesday's petition said the court was wrong to rely on the consumers' interactions with Ticketmaster because their claims do not arise from those interactions. The consumers are alleging that they overpaid for concert tickets purchased from third-party resellers, even though the petition said they were overcharged due to Live Nation's anticompetitive conduct.

"It is nonsensical to contend that plaintiffs' creation of accounts, logins, or ticket purchases directly from Ticketmaster 'cause[d]' plaintiffs' entirely unrelated purchases from third-party resellers at inflated prices," the petition said.

The consumers also argued that unlike a party seeking arbitration, they have no right to appeal the district court's ruling, making a petition for a writ of mandamus the only way for them to attain relief from "the district court's erroneous order."

Primary ticketing purchasers have a similar case pending in California federal court, where the Ninth Circuit affirmed a ruling in 2024 that found Live Nation's arbitration agreement was **unconscionable**. The appeals court was concerned with Live Nation's switch of arbitrators from JAMS to New Era ADR, an upstart arbitration provider with procedures designed to combat mass consumer arbitrations.

Live Nation petitioned the U.S. Supreme Court to review that case, but the justices **declined in October**.

Judge Subramanian addressed the issue in the secondary market case, finding that Live Nation's arbitration rules had meaningfully changed since the Ninth Circuit's ruling and that most of the problems identified by the appeals court had been cured.

Representatives for Live Nation and the consumers did not immediately respond to requests for comment Thursday.

Plaintiffs Abraham Leifer and Tamara Stevens are represented by Israel David, Adam M. Harris and Mark A. Cianci of Israel David LLC, Steven F. Hubachek, David W. Mitchell, Alexandra S. Bernay, Arthur L. Shingler III, Stuart A. Davidson and Mark J. Dearman of Robbins Geller Rudman & Dowd LLP and Serina M. Vash and John C. Herman of Herman Jones LLP.

Live Nation and Ticketmaster are represented by Timothy L. O'Mara, Alicia R. Jovais, Samuel R. Jeffrey and Anna M. Rathbun of Latham & Watkins LLP.

The cases are Leifer v. Live Nation Entertainment Inc. et al., case number 1:24-cv-03994, and Jacobson v. Live Nation Entertainment Inc., case number 1:24-cv-04106, both in the U.S. District Court for the Southern District of New York. The petition is In Re: Abraham Leifer and Tamara Stevens, case number 26-2332, in the U.S. Court of Appeal for the Second Circuit.

Abbott Inks $670M Deal To End Some Preterm Formula Claims

law360.com/articles/2516196/abbott-inks-670m-deal-to-end-some-preterm-formula-claims

(August 20, 2026, 11:56 PM EDT) -- Abbott Laboratories announced Thursday that it has agreed to pay about $670 million to partially resolve ongoing litigation alleging its specialty baby formula caused premature babies to suffer a disabling intestinal condition.

Abbott said it **negotiated the deal** after a midlevel Missouri appellate court **in May upheld** a **$495 million judgment** in a bellwether trial over claims that Abbott's Similac Special Care 24, widely used in neonatal intensive care units, caused severely premature baby Robynn Davis' necrotizing enterocolitis.

Rather than continuing to appeal or paying some $600 million for the judgment plus interest, Abbott elected to negotiate a settlement that would resolve the bellwether case, as well as claims asserted on behalf of 2,000 other babies for an aggregate amount of $670 million, according to the announcement.

"These agreements are a compromise of disputed claims and not in any way an admission of liability," the company said. "Abbott stands by the safety of these products and the essential role they play in helping the medical community care for preterm infants."

Abbott pointed out that the U.S. Food and Drug Administration, the National Institutes of Health, the American Academy of Pediatrics and other medical professionals "recognize that these products are safe and necessary, and that there is no reliable scientific evidence that they cause NEC."

There are still some 1,700 lawsuits on behalf of 12,700 babies pending in federal and state courts against Abbott, along with its competitor Mead Johnson & Co., the maker of Enfamil infant formula, according to the announcement. Abbott noted that those cases don't identify which manufacturer's formula was administered, which babies were diagnosed with NEC before receiving any formula, or any other issues.

The company said it is working "to identify and eliminate such claims and others like them."

During the three-week bellwether jury trial in Missouri, mother Margo Gill's lawyers said her baby developed NEC within 72 hours after starting to take Abbott's cow's milk formula in October 2021, weeks after she was born at 26 weeks' gestation on Aug. 26, 2021.

The baby had 75% of her intestine removed, must use a wheelchair, cannot eat normally, has brain damage and needs permanent around-the-clock care for life. Gill's lawyers said Abbott spoke freely within the company about its knowledge of the risk of necrotizing enterocolitis but did not warn the public.

Meanwhile, a lawyer for Abbott told the jury that Gill's baby was in dire medical shape starting before her birth with severe, irreversible hypoxia, and that she had multiple brain injuries before she was ever given formula.

Following the verdict, which was not unanimous, a spokesperson for Abbott vehemently denied that the company's formula had anything to do with the baby's condition. He added that there is no scientific evidence showing the formula causes or contributes to NEC.

A St. Louis jury in **October 2024 cleared** Abbott and Mead Johnson of liability in the companies' first joint trial over claims their baby formulas cause NEC in preterm infants. But the trial court in March 2025 **vacated that decision** and ordered a new trial, saying the defense "intentionally violated the court's orders" by improperly introducing inadmissible evidence "time after time."

A Missouri appeals court **earlier this month upheld** the trial court's decision.

Before that, in July, the Seventh Circuit **refused to revive** a woman's claims that Abbott failed to warn about the dangers of formula her baby consumed before dying of NEC. Her suit was among **hundreds of similar cases** in multidistrict litigation against the company and was to be the first of four bellwether cases to proceed to trial.

Counsel for Gill and other plaintiffs did not immediately return requests for comment late Thursday.

The plaintiffs are represented by Michael S. Ketchmark and Scott A. McCreight of Ketchmark & McCreight PC, Joan M. Lockwood of Gray Ritter Graham, John F. Garvey, Colleen Garvey and Ellen Thomas of Stranch Jennings & Garvey PLLC, and Tor Hoerman and Tyler J. Schneider of TorHoerman Law LLC.

Abbott is represented by James F. Bennett of Dowd Bennett LLP, Linda T. Coberly and Stephen V. D'Amore of Winston Taylor, Booker T. Shaw of Thompson Coburn LLP, and W. Jason Rankin and Thomas J. Magee of HeplerBroom LLC.

The appeal is Margo Gill v. Abbott Laboratories Inc., case number ED113162, in the Missouri Court of Appeals for the Eastern District. The underlying suit is Margo Gill v. Abbott Laboratories Inc., case number 2322-CC01251, in the 22nd Judicial Circuit of Missouri.

--Additional reporting by Bonnie Eslinger, Emily Field, Cara Salvatore, Celeste Bott and Y. Peter Kang. Editing by Jay Jackson Jr.

Transportation Tracker: Boeing, CH Robinson Verdicts

(August 21, 2026, 12:09 PM EDT) -- In our latest Law360 Transportation Tracker, an Illinois jury awarded $29 million to the family of a U.N. worker killed in the 2019 crash of a Boeing 737 Max 8, while freight broker C.H. Robinson was hit with a blockbuster $604 million verdict in Texas over a fatal 2021 trucking accident.

Here, Law360 tracks what's been trending in transportation news recently.

III. Jury Awards U.N. Worker's Family $29M for Boeing Crash

An Illinois federal jury on Aug. 12 **awarded $29 million** to the family of a U.N. engineer who died alongside 156 others aboard Ethiopian Airlines Flight 302 when the Boeing 737 Max 8 jet crashed within minutes of takeoff in 2019.

The award for the family of Michael "Mick" Ryan is roughly on par with the $28 million that jurors awarded in November to the estate of Shikha Garg, a U.N. environmentalist, over the March 2019 crash. But it falls well under the $49.5 million that a jury awarded in May to the family of Samya Stumo, a global health worker, who also died in the crash.

Throughout the damages trials, attorneys for the families have presented arguments and testimony pointing to the emotional distress and other potential injuries that passengers aboard the flight experienced in the seven minutes between takeoff and the crash. The Ethiopian Airlines crash occurred just five months after another Boeing 737 Max 8 jet carrying passengers of Lion Air Flight 610 crashed in the Java Sea under similar circumstances.

The individual case is Connolly v. The Boeing Co., case number 1:19-cv-03540, in the U.S. District Court for the Northern District of Illinois, and the consolidated case is In re: Ethiopian Airlines Flight ET 302 Crash, case number 1:19-cv-02170, in the U.S. District Court for the Northern District of Illinois.

Feds' 2-Person Train Crew Rule Upheld

A divided Eleventh Circuit panel on Aug. 11 **upheld** the Federal Railroad Administration's two-person train crew rule, saying the agency reasonably justified the safety rationale for the rule and rejecting the rail industry's claims of government overreach.

The split three-judge panel denied petitions for review seeking to vacate the April 2024 rule in a consolidated challenge led by two industry trade groups, the Association of American Railroads and the American Short Line and Regional Railroad Association. Individual railroads such as Union Pacific Railroad Co., BNSF Railway Co., Florida East Coast Railway LLC and others were also among the petitioners.

In its 65-page opinion, the majority said the rule falls within the FRA's general rulemaking power, rejecting arguments from the AAR, which represents the nation's largest Class I railroads, that the agency overstepped because it only has statutory authority to issue safety rules "as necessary." That "as necessary" phrase is a grant of discretion about when to issue safety rules — not a stringent evidentiary bar, according to the majority. The FRA's rule is "reasonable and reasonably explained," the majority found.

The cases are Florida East Coast Railway LLC et al. v. Federal Railroad Administration et al., case numbers 24-11076, 24-11300, 24-11366, 24-11367, 24-11428, 24-11444, 24-11445 and 24-12003, in the U.S. Court of Appeals for the Eleventh Circuit.

Shipbuilder Ditches Pa. Suit Over Baltimore Bridge Collapse

A Pennsylvania federal judge on Aug. 3 **dismissed** a lawsuit alleging South Korean shipbuilder HD Hyundai Heavy Industries Co. Ltd. designed and built a "fatally flawed" container ship that subsequently slammed into Baltimore's Francis Scott Key Bridge.

U.S. District Judge Kai N. Scott dismissed on forum non conveniens grounds a lawsuit filed by Grace Ocean Private Ltd. and Synergy Marine Private Ltd., the Singaporean owner and manager of the M/V Dali container ship, seeking to hold the ship's manufacturer responsible for the March 26, 2024, wreck in Baltimore. That night, the Dali lost power and slammed into a Key Bridge support column, triggering a collapse that killed six construction workers and hampered access to the Port of Baltimore for months.

Judge Scott said a valid forum-selection clause in a 2021 settlement agreement between Grace Ocean and HD Hyundai incorporated arbitration clauses from an earlier contract mandating that "any dispute or difference … between the parties … shall be referred to arbitration in London, England."

The case is Grace Ocean Private Ltd. et al. v. Hyundai Heavy Industries Co. Ltd., case number 2:25-cv-04374, in the U.S. District Court for the Eastern District of Pennsylvania.

Uber, Lyft Win Injunction in NYC Driver Deactivation Fight

A New York federal judge on July 21 **blocked** New York City from enforcing a new ordinance prohibiting Uber and Lyft from "deactivating" drivers without formal notice and investigation, saying the ride-hailing companies made a strong showing that the regulation unconstitutionally interferes with their contractual rights.

U.S. District Judge Gregory H. Woods granted Uber Technologies Inc. and Lyft Inc.'s requests for a preliminary injunction blocking Local Law 52 of 2026 from taking effect on July 28. Judge Woods said in a 53-page opinion that the ride-hailing companies will likely succeed on the merits of their lawsuits challenging the law.

The companies alleged New York City overstepped in enacting an ordinance prohibiting the ride-hailing companies from deactivating drivers from their apps without just cause or a bona fide economic reason.

New York City officials are pursuing an appeal before the Second Circuit.

The district court cases are Uber Technologies Inc. et al. v. City of New York, case number 1:26-cv-04893, and Lyft Inc. v. The City of New York, case number 1:26-cv-04931; both in the U.S. District Court for the Southern District of New York.

The appeals are Uber Technologies Inc. v. City of New York, case number 26-2079, and Lyft Inc. v. City of New York, case number 26-2082; both in the U.S. Court of Appeals for the

Second Circuit.

4th Circ. Overturns Class Cert. in Boeing Investor Case

The Fourth Circuit on July 20 **dismantled** a certified securities fraud class action alleging Boeing kept its stock price trading at inflated levels by repeatedly misrepresenting the safety of its 737 Max fleet after two fatal crashes in 2018 and 2019 and a door-plug blowout in 2024.

The appeals panel, which heard oral arguments in May, determined that neither the investor plaintiffs nor the district court met the standard set by the U.S. Supreme Court's 2013 decision in Comcast Corp. v. Behrend, which requires plaintiffs to provide evidentiary proof that damages can be calculated on a classwide basis consistent with their liability case.

The Fourth Circuit rejected as insufficient the out-of-pocket damages methodology offered by the institutional investor plaintiffs led by the Employees' Retirement System of Rhode Island, represented by Rhode Island General Treasurer James A. Diossa, and the Local 817 IBT Pension Fund.

"The out-of-pocket description broadly tells us what securities-fraud damages are — the difference between the price paid or received and the price that would have existed absent the fraud," the panel said. "But it doesn't tell us how to determine the artificial inflation embedded in Boeing's stock price on any day of the class period. Comcast demands that missing step."

The investors received class certification in March 2025. Boeing argued that signing off on the investors' class damages model rendered Comcast "effectively meaningless."

The case is In re: The Boeing Company Securities Litigation, case number 25-1492, in the U.S. Court of Appeals for the Fourth Circuit.

CH Robinson's $604M Verdict Tests Freight Broker Defenses

A Dallas County, Texas, jury on July 23 hit C.H. Robinson with a **$604 million verdict** after finding the freight broker and logistics giant partially responsible for a 2021 crash that killed three people and injured two others in Mississippi.

The **whopping verdict** marked one of the **first major tests** of freight brokers' legal strategies since the U.S. Supreme Court reshaped their liability exposure, creating monumental stakes for the trucking industry's middlemen on how to navigate unpredictable duty-of-care standards and volatile verdicts.

The verdict stemmed from litigation over a multivehicle pileup on Interstate 20 in Warren County, Mississippi, in March 2021 that left three people dead and two others seriously injured. At $604 million, it ranks as one of the largest jury verdicts in Texas in recent years over catastrophic trucking accidents. But it's not a final judgment and C.H. Robinson Worldwide Inc. has pledged to challenge it.

Experts told Law360 that the outsize "nuclear verdict" is representative of Texas' reputation for massive multimillion-dollar verdicts in accident and injury cases. But it's shaken freight brokers and third-party logistics providers adjusting to the Supreme Court's **May ruling** in Montgomery v. Caribe Transport II , which made clear that freight brokers cannot use federal preemption as a defense against state-based negligence and personal injury claims.

The case is Lipe et al. v. Lupus Superior LLC et al., case number CC-22-07326, in County Court-At-Law No. 4 of Dallas County, Texas.

--Additional reporting by Lauraann Wood, Spencer Brewer and Katryna Perera. Editing by Robert Rudinger.

Costco Asks Judge To Rethink Ruling, Toss Moonlighting Suit

law360.com/articles/2515463/costco-asks-judge-to-rethink-ruling-toss-moonlighting-suit

(August 20, 2026, 9:37 PM EDT) -- Costco is urging a Washington state judge to reconsider her order denying its bid for a pretrial win over claims that it illegally bars workers from taking on additional employment, arguing that its employee agreements are sufficiently narrow and that plaintiffs' claims are "simply speculation and attorney argument."

"Reconsideration is warranted, and Costco is entitled to summary judgment," the company said in a motion filed Monday.

At issue are class claims on behalf of more than 26,000 Costco Wholesale Corp. employees that the store restricts low-wage workers from taking employment with competitors or otherwise moonlighting in violation of Washington noncompetition statutes.

King County Superior Court Judge Andrea K. Robertson previously denied the retailer's motion for summary judgment, writing in an Aug. 7 order that Costco "failed to establish it is entitled to judgment as a matter of law."

But the company in its latest filing says the court got that ruling wrong. Costco's limits on employees taking on additional work are "narrowly tailored" and serve legitimate business interests, the defendant claims.

"What triggers the conflicts rules is not working for some 'competitor,' but rather engaging in outside employment that creates a conflict of interest," Costco said. Specifically, the rules are aimed at "promoting ethical business conduct and helping ensure that employees act in Costco's best interests when performing their duties," the motion added.

Pointing to a January 2025 state Supreme Court ruling in Jeremy David et al. v. Freedom Vans LLC, the company argues that Washington law "recognizes legitimate employer interests in preventing employees from detracting from the business, such as by soliciting customers, misusing relationships, or otherwise undermining the employer's business interests or goodwill."

Costco's employee agreements bar only actual conflicts of interest, which it evaluates on a case-by-case basis, the company claims. The agreements also "repeatedly" advise that the provisions "apply 'except where otherwise provided by law,'" according to the motion.

Plaintiffs in the suit also failed to rebut the company's explanation of its legitimate business interests or its claims that "it applies the EA consistent with Washington law," Costco contended.

"Plaintiffs brought legal theories to an evidence fight," the retailer said.

While the workers claim Costco wants to prevent competition and amended policies it knew were unlawful, among other arguments, "No testimony supports any of those assertions," Costco asserted.

The court also wrongly "disregarded EA provisions on the rationale that employees don't understand them," Costco said, pointing to a court statement that the agreements put the onus "back on the employees to interpret a complicated area of the law."

"But courts must effectuate all contractual provisions regardless of subjective understandings," the company argued.

"If the court effectuated those provisions, then it would find that Costco undisputedly proved narrow tailoring, because plaintiffs adduced no contrary evidence," it added.

That employees might need to seek clarification about what exactly the agreements prohibit doesn't create an unlawful restriction, the motion argues.

"The relevant questions are whether Costco's policy serves legitimate business interests, whether any restraint is reasonably necessary, and whether the policy is narrowly tailored," the company said. "Plaintiffs' assertions of employee confusion answer none of those questions."

Costco's motion for reconsideration also criticizes each of the three class representatives in the case — Saemira Gray, Michele Hitchye and Syvanah Hance — saying "undisputed evidence" entitles the company to summary judgment with respect to each one.

"Gray worked and applied elsewhere, Hitchye says the policy never affected her, and Hance relies on an imagined restriction the EA did not impose," the company said. "These facts are not 'injury' models as to damages; they are unrebutted evidence as to liability."

"Overall, employee-specific confusion, fears, or concerns do not create a genuine dispute regarding Costco's business justifications, contractual limitations, or context-dependent application," the company concluded, reiterating its request that the court reverse its prior ruling and enter summary judgment in favor of the retailer.

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

The plaintiffs are represented by Timothy W. Emery, Patrick B. Reddy, Paul Cipriani Jr., Hannah M. Hamley and Paige V. Gagliardi of Emery Reddy PC.

Costco is represented by Kyle D. Nelson, Kate Bradley and Jacob J. Roes of Seyfarth Shaw LLP.

The case is Saemira Gray et al. v. Costco Wholesale Corp. et al., case number 25-2-17717-3, in the King County Superior Court.

--Additional reporting by MJ Koo. Editing by Drashti Mehta.

Binance Can't Arbitrate Crypto-Laundering Claims After All

law360.com/articles/2515919/binance-can-t-arbitrate-crypto-laundering-claims-after-all

(August 20, 2026, 6:38 PM EDT) -- A Florida federal judge on Thursday vacated a ruling that compelled arbitration for proposed class claims alleging that Binance laundered stolen cryptocurrency, after a decision came down from the Eleventh Circuit finding that the individuals who filed their actions didn't have contractual relationships with the exchange.

U.S. District Judge Rodolfo A. Ruiz II entered his **order** in Miami federal court upon remand from the Eleventh Circuit, which vacated arbitration after granting a petition for a writ of mandamus on Wednesday. The appellate court said in its unauthored **ruling** that the two proposed class suits weren't about terms of a contract between the individuals and Binance, but whether the cryptocurrency exchange had a duty under state and federal law to detect financial crimes.

"The district court misread the complaints. Defendants should not be allowed to force nonsignatory plaintiffs to arbitrate claims that lack a significant relationship to the terms," the Eleventh Circuit said.

In 2025, Philip Martin and Charles Baratta had their lawsuits against Binance transferred from the U.S. District Court for the Western District of Washington to the Southern District of Florida. Binance Holdings Ltd., BAM Trading Services and Binance founder and former CEO Changpeng Zhao are also listed as defendants.

Martin and Baratta alleged that hackers stole their cryptocurrency from Coinbase accounts and routed their digital assets into Binance. From there, the plaintiffs' cryptocurrency was withdrawn by thieves, according to the lawsuits.

The cases were consolidated in May 2025 for the purpose of Binance's arbitration motion, which was filed in July 2025. Binance argued that plaintiffs in a previous proposed class action relied on its terms of use to claim the exchange had the ability to stop fraudulent transactions, but didn't because it wanted to collect fees.

The previous case was moved into arbitration, but Binance said that the new complaints brought by Martin and Baratta were virtually identical and should also be forced out of court. Judge Ruiz **granted Binance's motion** in March after finding that the exchange's terms of use applied. The judge's ruling allowed Binance to have Martin's and Baratta's claims arbitrated in Hong Kong.

Martin and Baratta filed their petition to the Eleventh Circuit in May, saying they had no other way to correct the lower court's order compelling arbitration. They argued that Judge Ruiz's order was wrong because they were asserting statutory rights, not rights under a contract. They said there was no evidence of a contract between them and Binance.

The Eleventh Circuit agreed, saying in its Wednesday decision that there was no connection between the plaintiffs' claims and Binance's terms of use. The allegations that Binance collected fees didn't change anything and were only mentioned by the plaintiffs because they were factually relevant, the court said.

"Plaintiffs cannot appeal the decision to compel them to arbitrate and the district court's repeated rulings in defendants' favor evidences that a request to certify the matter for interlocutory review would be futile," the panel said. "And plaintiffs submit evidence about claims they will forfeit in the foreign arbitration proceeding and of unreasonable costs."

Judge Ruiz scheduled a status conference for Aug. 27.

David C. Silver of Silver Miller, who represents the Martin and Baratta, told Law360 Thursday that the Eleventh Circuit's decision was a rare move and is now looking forward to having his clients' allegations heard in court.

"A small piece of justice was served today. My clients were robbed by criminals, then told the only place they could be heard was Hong Kong — under a contract they never signed, never saw, and never agreed to," he said. "They never met the criminals who stole their crypto. They never dealt with Binance. And they certainly never agreed to arbitrate anything on the other side of the world."

Counsel for the defendants did not respond to requests for comment on Thursday.

Martin and Baratta are represented by Joseph D. Daley, Eric I. Niehaus, Samuel H. Rudman, Evan J. Kaufman and Jonathan A. Ohlmann of Robbins Gellar Rudman & Dowd LLP, David C. Silver and Jason S. Miller of Silver Miller, John C. Herman of Herman Jones LLP, and Derek W. Loeser and Chris N. Ryder of Keller Rohrback LLP.

Binance is represented by Aaron S. Weiss of Carlton Fields PA, Christopher N. LaVigne, Kimberly A. Pallen, Tyler Goss and Vahe Mesropyan of Withers Bergman LLP, and Sean D. Jackson of Ballard Spahr LLP.

BAM Trading is represented by Daniel T. Stabile, Gabie Plasencia and Thania Charmani of Winston Taylor LLP, Blake Marks-Dias and Todd T. Williams of Corr Cronin LLP, Matthew C. Solomon, Rishi N. Zutshi and Samuel Levander of Cleary Gottlieb Steen & Hamilton LLP, and Timothy B. Fitzgerald of McNaul Ebel Nawrot & Helgren PLLC.

Zhao is represented by Harold S. Vogel Jr. and Jacob S. Frenkel of Dickinson Wright PLLC.

The cases are Martin et al. v. Binance Holdings Ltd., case number 1:25-cv-22100, and Baratta et al. v. Binance Holdings Ltd., case number 1:25-cv-22202, in the U.S. District Court for the Southern District of Florida.

--Additional reporting by Carolina Bolado. Editing by Adam LoBelia.