# Judge allows Spotlight another shot at summary judgment in Ticketmaster dispute

DJ dailyjournal.com/articles/393882-judge-allows-spotlight-another-shot-at-summary-judgment-in-ticketmaster-dispute

A Los Angeles federal judge on Friday allowed Spotlight Ticket Management Inc. to take another shot at summary judgment in its false-advertising suit against rival Concierge Live LLC, while expressing deep skepticism that new evidence involving Ticketmaster will resolve the dispute without a trial.

U.S. District Judge Wesley L. Hsu granted Spotlight permission to file another summary judgment motion based on Ticketmaster's termination of Concierge Live's access to Ticketmaster's systems after the earlier motions were briefed. But Hsu made clear he was not deciding the merits of Spotlight's new theory.

"I am deeply skeptical that Ticketmaster's opinion ex post is going to end the case by establishing facts that the jury can't find otherwise," Hsu said. Still, he said Spotlight had shown "good cause for the opportunity to try and persuade me otherwise."

The ruling allows Spotlight, which does business as TicketManager, to argue that Concierge Live could not truthfully advertise itself as "integrated" with Ticketmaster because it lacked authorization to access Ticketmaster's systems.

Spotlight sued Concierge Live in 2024, accusing its competitor of falsely representing to corporate customers that its ticket-management platform had a Ticketmaster integration. Spotlight alleges its relationship with Ticketmaster gives it exclusive direct-integration rights in the corporate ticket-management market. *Spotlight Ticket Management Inc. v. Concierge Live LLC*, 2:24-cv-00859-WLH-SSC (C.D. Cal., filed Jan. 31, 2024).

Hsu previously denied the parties' competing summary judgment motions, finding that a jury should decide whether Concierge Live's integration claims were false. Spotlight now contends the record has fundamentally changed because Ticketmaster learned that Concierge Live's third-party provider, Automatiq, was scraping and crawling Ticketmaster's systems and subsequently terminated Concierge Live's access.

Spotlight says its proposed summary judgment motion presents a straightforward proposition: "there can be no integration without authorization." It argues that Concierge Live's purported API license was "automatically terminated" when prohibited conduct began in 2019.

At Friday's hearing, Spotlight attorney Christopher Pardo of Morgan, Lewis & Bockius LLP emphasized that Ticketmaster's termination letter was not the only evidence supporting the argument.

"The letter from Ticketmaster is really important, but the underlying facts are undisputed," Pardo told Hsu.

He argued that Concierge Live previously maintained that Ticketmaster permitted its conduct because Ticketmaster had provided API access and had not revoked it. Once information in the litigation became public, Pardo said, Ticketmaster "looks at it, terminates them for their conduct, and says, 'We never knew you were doing this. You're obviously not allowed to do this.'"

Concierge Live attorney Christoph C. Heisenberg of Hinckley & Heisenberg LLP countered that Spotlight had already litigated -- and effectively abandoned -- its permission theory during the previous summary judgment proceedings. Concierge Live's written opposition calls Spotlight's latest effort a "weakly-disguised and untimely motion for reconsideration."

Heisenberg also argued Friday that Concierge Live needs discovery from Ticketmaster before it can fully respond to Spotlight's new motion, particularly concerning the circumstances surrounding the termination.

Hsu said that issue should be resolved before Concierge Live is required to oppose the new summary judgment motion.

"The motion for leave to file another motion for summary judgment is granted," Hsu ruled.

Spotlight may supplement its previously lodged summary judgment brief by Sept. 11; if it does not, Hsu said the lodged brief will become its opening brief.

Hsu said he will rule Sept. 18 on Concierge Live's pending request for additional Ticketmaster discovery and will then set the remaining summary judgment briefing schedule.

**Freddie Mac Must Litigate Revived Investor Fraud Lawsuit in Ohio**

Aug. 21, 2026, 3:56 PM PDT

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## Summary by Bloomberg AI

AI Generated

- The US Court of Appeals for the Sixth Circuit revived some of the Ohio Public Employees Retirement System's claims against the Federal Home Loan Mortgage Corp, also known as Freddie Mac, and sent the case back to the US District Court for the Northern District of Ohio.
- Judge Helene N. White wrote that OPERS can proceed with some of its previously-tossed securities fraud claims based on alleged misrepresentations concerning Freddie Mac's subprime and Alt-A exposure.
- The case will return to the lower court, where OPERS can demonstrate loss causation and damages tied to its securities fraud theory and seek class certification, after the appeals court found that the lower court misunderstood and incorrectly rejected OPERS' price-maintenance theory.

The Federal Home Loan Mortgage Corp. must continue defending against investor allegations that the lender, known as Freddie Mac, misrepresented its exposure to risky, nontraditional mortgage loans before the Great Recession.

The Ohio Public Employees Retirement System convinced the US Court of Appeals for the Sixth Circuit to revive some of its claims and send it back down to the US District Court for the Northern District of Ohio for another chance at seeking class certification.

OPERS can proceed with some of its previously-tossed securities fraud claims based on alleged misrepresentations concerning the lender's subprime and Alt-A exposure, Judge Helene N. White wrote in Friday's opinion.

"OPERS has adduced sufficient evidence from which a reasonable juror could conclude that defendants made materially false statements concerning Freddie Mac's subprime and Alt-A exposure but not its credit-risk and underwriting standard," White said.

On remand, OPERS can demonstrate loss causation and damages tied to its securities fraud theory, she said.

For purposes of class certification, the public pension fund sufficiently demonstrated that Freddie Mac's stock price traded in an efficient market, White said. If an investor can demonstrate this market efficiency, that can create a presumption of reliance about misrepresentations allegedly impacting the stock's price.

The lower court misunderstood and incorrectly rejected OPERS' price-maintenance theory, by which it alleged misrepresentations kept share prices improperly inflated rather than jacked them up, White said in the opinion, on which Judges Karen Nelson Moore and Amul R. Thapar concurred.

Thapar issued a concurring opinion decrying the length of the litigation and errors that prolonged it.

The lawsuit, originally filed in 2008, previously took trips to the Sixth Circuit.

In tossing the suit and granting summary judgment to the defendants last year, Judge Benita Y. Pearson said OPERS failed to establish a dispute of key facts over whether Freddie Mac made false statements about its subprime and other semi-risky loan exposure before its stock price plummeted in November 2007.

Freddie Mac didn't immediately respond to an email seeking comment.

Markovits, Stock & DeMarco LLCand Strauss Troy represented OPERS on appeal. Markovits attorneys didn't immediately respond to a request for comment.

Morgan, Lewis & Bockius LLP and Porter Wright Morris & Arthur LLP represent Freddie Mac.

Sidley Austin LLP, Davis Wright Tremaine LLP, Dechert LLP, and Squire Patton Boggs (US) LLP represent former Freddie Mac executives who are also defendants.

The case is OPERS v. FHLMC , 6th Cir., No. 25-03765, opinion 8/21/26 .

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# GoDaddy Investor Sues Over Domain Promo's Bookings Impact (1)

Aug. 24, 2026, 8:21 AM PDT; Updated: Aug. 24, 2026, 10:40 AM PDT

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## Summary by Bloomberg AI

AI Generated

- GoDaddy Inc. failed to alert investors to a promotional discount for one-year dotcom domains that weighed on its fourth quarter of 2025 bookings, a proposed class action said.
- The company and its top executives were touting a strategy targeting high-intent customers, but left out the discount resulting in short-term contracts and a deceleration in total bookings for the fourth quarter.
- A GoDaddy spokesperson said the company doesn't comment on pending litigation, and Kaplan Fox & Kilsheimer LLP represents the suing investor, Raymond Johnson, who seeks damages for alleged securities fraud by GoDaddy.

GoDaddy Inc. failed to alert investors to a promotional discount for one-year dotcom domains that weighed on its fourth quarter of 2025 bookings, a proposed class action said.

The website maker and its top executives were touting a strategy targeting high-intent customers, but left out the discount resulting in short-term contracts and a deceleration in total bookings for the fourth quarter, according to an investor's complaint.

"Once the Company and Individual Defendants chose to speak on the topic of their go-to-market strategy that targeted high-intent customers, they had a duty to speak completely and accurately and failed to do so," the investor told the US District Court for the Southern District of New York on Aug. 21.

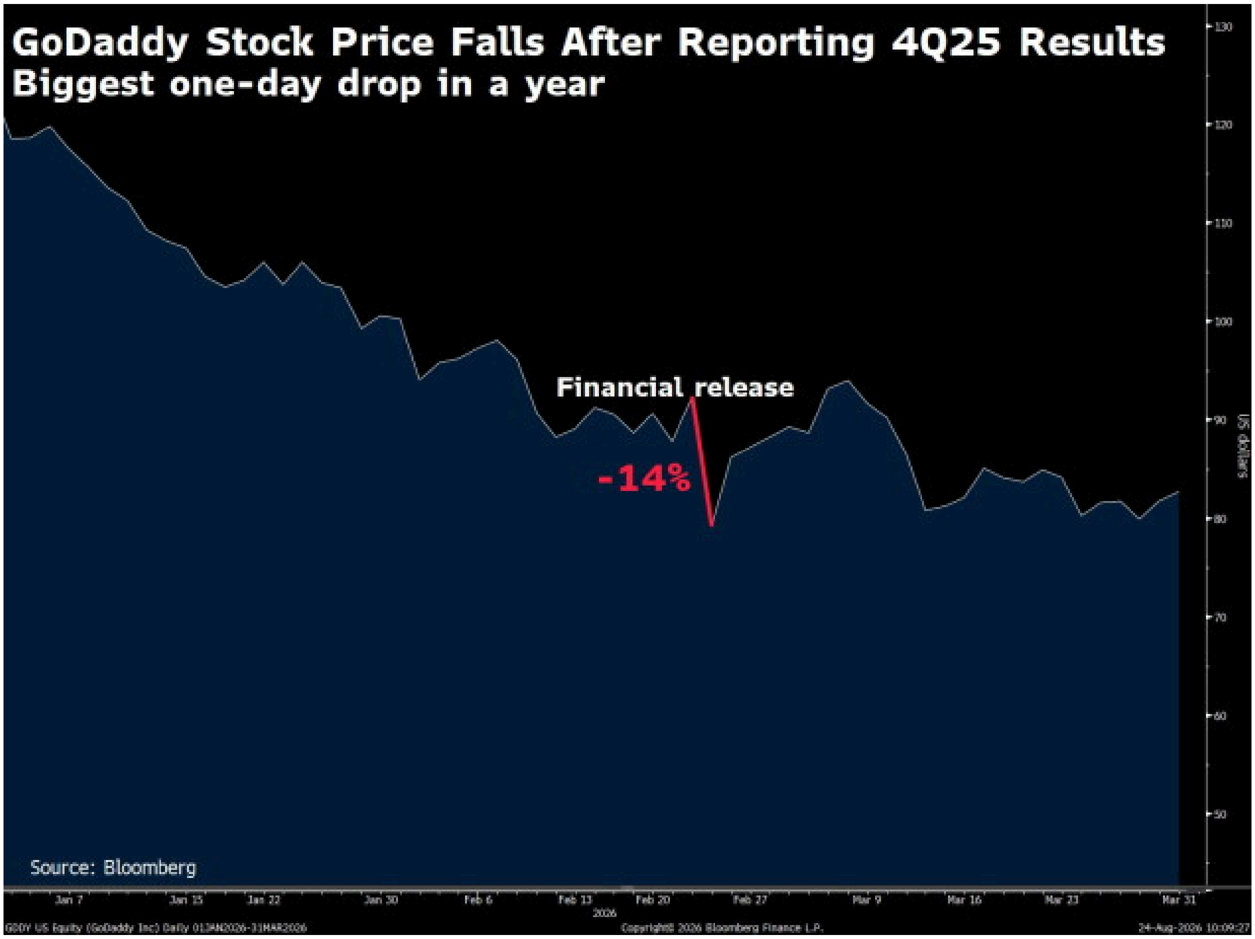
The proposed class would include investors who acquired GoDaddy stock from Sept. 3, 2025, to Feb. 24.

That day, the company shared that total bookings growth slowed to 5% in the last quarter of 2025, short of analyst expectations. CEO Aman Bhutani and chief financial officer Mark McCaffrey said in an associated earnings call that a popular promotional price for one-year domains impacted upfront bookings.

Analysts reported surprise, citing the shorter term and smaller size of the average order under the promotion, and its impact on the quarter's bookings, according to the investor lawsuit.

GoDaddy's stock price dropped more than 14% to close at $79.12 on Feb. 25 — then its steepest single-day selloff in a year, according to data compiled by Bloomberg.

A GoDaddy spokesperson said the company doesn't comment on pending litigation.




Kaplan Fox & Kilsheimer LLP represents the suing investor, Raymond Johnson. Johnson seeks damages for alleged securities fraud by GoDaddy, Bhutani, and McCaffrey.

Share prices of the domain registrar have taken other recent tumbles. Its stock price fell almost 17% on July 31, the day after it reported its 2026 second quarter results. That was its sharpest one-day plummet since March 2020, according to Bloomberg data.

GoDaddy this year has been pushing its artificial-intelligence fueled transformation, including an AI-powered platform to help users build web apps, sites, and other tools.

The case is Johnson v. GoDaddy Inc. , S.D.N.Y., No. 1:26-cv-07144, complaint filed 8/21/26 .

(Updates with GoDaddy declining to comment in eighth paragraph.)

To contact the reporter on this story: Gillian R. Brassil in Washington at gbrassil@bloombergindustry.com

Insight

**Law Firms Can Use Private Equity's Positives to Benefit Culture**

Aug. 24, 2026, 1:30 AM PDT

## Summary by Bloomberg AI AI Generated

- Private equity is attractive to many firms because it can solve problems that partner capital was never built to solve, such as funding expansion, software, lateral hiring, and operational modernization.
- The way that investment is structured matters, with alternative structures including management services organizations, or MSOs, where a separate company handles business functions while the law firm remains the legal practice.
- Culture can shift quietly, through compensation, staffing, and performance metrics, even without a formal change in mission, making regular review important to ensure that incentives do not reshape day-to-day behavior.

Private equity is no longer a distant force at the edge of the legal market, as shown by mid-sized firm Wood Smith Henning & Berman's reported deal to sell a $700 million piece of itself to Charlesbank Capital Partners. Larger firms are also being approached for investment, and some are actively seeking it as outside capital becomes part of the conversation about growth, technology, and succession.

It's now not just about whether the money is available, but what happens to law firm culture once an investor has a stake in the outcome.

The firms most likely to benefit from private equity aren't the ones that chase capital first. They are the ones that know exactly which parts of the model they are willing to modernize, which parts they won't compromise, and how they will measure whether the new structure is strengthening the practice or simply changing its price tag.

Private equity is attractive to many firms because it can solve problems that partner capital was never built to solve. Traditional partnership models often rely on internal contributions to fund expansion, software, lateral hiring, and operational modernization. Outside capital can reduce that burden and give firms more room to invest and free partners from constantly underwriting the balance sheet, which is one reason the model has gained attention.

Scale is also appealing. Private equity investors generally want firms with repeatable economics, stronger reporting, and a clear path to growth. That discipline can push a firm to improve data systems, standardize operations, and treat back-office functions as strategic assets rather than overhead. In that sense, the draw isn't just cash; it's the promise of a more platform-driven business model.

The way that investment is structured matters. In the US, firms generally can't sell equity to outside investors because of restrictions on nonlawyer ownership and fee sharing. That has led to alternative structures, including management services organizations, or MSOs, where a separate company handles business functions such as payroll, technology, marketing, and finance while the law firm remains the legal practice. The structure creates room for capital, but it also creates room for influence.

That separation is part of the attraction and part of the tension. It can preserve formal professional independence while allowing the business engine around the lawyers to attract investment. Yet once the economics of the operating company and the legal practice are linked, investor expectations don't stay in the back office for long. They can shape budgets, hiring, compensation, and growth targets.

That's where culture becomes fragile. Law firms traditionally have been built on collegiality, professional judgment, and an orientation to long-term clients. By contrast, private equity is usually associated with shorter timelines, sharper attention to margin, and a stronger focus on exit value. Even when investors say they respect the profession, the pressure they introduce can change what the firm rewards.

The most immediate risk is that profitability begins to shape behavior in ways lawyers and clients can feel. A firm that once prized consensus may move toward tighter top-down control. A firm that once treated every practice group as a partnership may begin emphasizing which matters produce the highest return.

That can improve efficiency. But it can also reorder values under the radar, with the easiest work receiving the most attention and harder judgment calls receiving less patience.

There's also a talent issue. Lawyers don't usually leave because a spreadsheet changed; they leave when the identity of the firm changes. If associates and partners believe the firm is becoming a financial platform first and a professional community second, retention can suffer. That risk matters in a market where reputation, trust, and institutional memory remain major competitive assets.

For sophisticated firms, the real issue is whether the firm can accept outside money without letting outside priorities rewrite the internal code that made the firm successful in the first place — not whether private equity is good or bad.

The strongest firms will understand the tradeoffs early, maintain a clear operating model, and protect the cultural features that clients and lawyers still value most. Firms should consider several aspects to ensure they stay that way.

Scale can help, but firms should test whether it improves service, decision-making, and resilience, or only raises expectations. Practically speaking, the defining question is whether growth actually creates operating leverage or simply adds complexity the firm cannot support.

Structure drives control, so the legal and business sides of the model must be understood before capital enters. Management service organization arrangements can preserve compliance boundaries but also make influence less visible if the firm doesn't map who controls pricing, staffing, and performance metrics.

Culture can shift quietly, through compensation, staffing, and performance metrics, even without a formal change in mission. That makes regular review important, because firms often notice the impact only after incentives have begun to reshape day-to-day behavior.

Talent retention becomes strategic because lawyers are likely to test whether the firm still feels like a professional home. If investment speeds up growth but weakens loyalty, the firm may gain capital while losing the people who convert that capital into client value.

Differentiation still matters because firms with strong culture and modern operations may compete effectively without investor pressure. As private capital increasingly targets repeatable legal-service models, firms that pair discipline with independence can maintain greater strategic flexibility.

Outside capital is already crowding into the legal space, but just taking the money isn't a strategy. You must dictate the terms of your firm's modernization before private investors do it for you. We no longer can treat the balance sheet, the partnership structure, and firm culture as separate buckets. The firms that survive this shift are the ones that realize operational growth and attorney well-being are the exact same mechanism.

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# Norm Ai Builds Backing From Clients Big Law Can’t Afford to Lose

Giant asset managers that lined up to invest in Norm Ai are also giving it legal work. Will it be enough to put a dent in Big Law's market share?

August 24, 2026, 1:30 AM

**By Roy Strom and Eric Killelea**


## Summary by Bloomberg AI **AI Generated**

- Samir Kaul, managing director of Khosla Ventures, is pushing back on high legal fees, saying some tasks should cost $1,000, not $200,000.
- Norm Ai, a New York-based tech company, is using artificial intelligence to redesign legal services and has raised $260 million from investors including Khosla and Blackstone.
- Major investors and asset managers are taking notice of AI-native law firms like Norm, which could disrupt traditional law firms and force them to adapt to a new competitive landscape.


Samir Kaul is fed up with high legal fees. The managing director of Silicon Valley’s Khosla Ventures says he has been pushing back on lawyer bills.

In one instance, Kaul told a private equity firm investing in one of his portfolio companies that he only refused one term in its proposed agreement: the budget for $1.5 million in legal fees. The total should be a tenth of that amount, Kaul recalls saying.

When Kaul started in venture capital in the early 2000s, an early round investment term sheet known as a Series A cost $25,000. Now, he said, it's $200,000.

"It should cost me $1,000," he said. "It should be, like, a couple hours of an agent's time."

An agent, not a lawyer, Kaul said.

Major investors and asset managers like Khosla have powered the dramatic growth of traditional law firms for the past decade or more. They are the types of clients Big Law can't afford to lose. Now, they have a new way to push back on legal bills: AI will do the work.

Some are taking that thesis one step further, placing bets on companies that will use artificial intelligence to redesign legal services and farming out certain work to them. The financial incentive to work with those companies makes this round of buzzy law firm startups different than previous versions that fizzled out.

Even if Big Law firms aren't yet losing significant work to the new entrants—and it's far from certain that they will—law firm partners have noticed the funding and attention being heaped on their would-be disruptors. That's forcing some firms to adapt and shaping a nascent competition between traditional firms and those dubbed "AI native."

**1 World Trade Center** Spencer Platt/Getty Images

One startup represents the dynamic more clearly than others: Norm Ai, a New York-based tech company that's raised $260 million from Khosla, Blackstone Inc., Bain Capital, and others. It was valued at $1.2 billion in July. Those investors are already clients of Norm and its law firm, Norm Law.

"My guys love them," said Kaul, who has used Norm for work on fund formations, closing simple venture transactions and forming special purpose vehicles for follow-on investments.

Norm got its start concentrating on a narrow band of compliance and transaction work that is well-suited to automation and little threat to Big Law firms' bottom lines. While Norm has a head start on building processes for repeatable tasks, some large corporate firms are racing to automate their own competitive edge: years of experience handling high stakes matters for top clients.

"The real test, for Norm and the rest of the field, is whether and how that extends into the messier, judgment-heavy parts of practice," said Matt Souza, co-founder of rival AI-native firm, Talairis Law Group. "That's an open question."

## 'Early Innings'

On two floors of Manhattan's 1 World Trade Center, roughly 50 Norm lawyers are developing AI agents.

The attorneys mostly are Big Law refugees whose resumes include stints at firms such as Cravath Swaine & Moore, Skadden Arps Slate Meagher & Flom, and Paul, Weiss, Rifkind, Wharton & Garrison. The systems they're designing are meant to streamline a never-ending flow of compliance work, unsexy tasks similar to copy-editing for highly regulated clients.

"In a traditional law firm, they're back office, and here they're front office," Norm Ai founder John Nay said of the lawyers.

**John Nay** Photo courtesy of Norm Ai

Nay never worked at a law firm. He's an artificial intelligence researcher who last year sold the investment platform he developed to Nuveen Asset Management for nine figures.

Norm's genesis came in a 2022 academic paper in which Nay warned against trying to train AI on ethics. He argued instead that encoding the law into AI is the best way to align it with democratically accepted values.

The paper also briefly mentioned that if AI understood the law it could help improve the practice of law. Nay launched Norm Ai in 2023 to test the thesis.

The company exited stealth mode the next year, announcing it had raised $11.1 million to help make life easier for compliance chiefs. That's a far cry from competing with the world's largest law firms, where annual revenue stretches into the billions.

Big Law ears pricked up when Blackstone poured $50 million into Norm in November. That's when Norm launched its law firm, noting that Blackstone was partnering to "shape and develop" Norm Law's services.

Blackstone has paid Kirkland & Ellis, on average, about $70 million in annual legal fees for the last five years. Lawyers from Kirkland and Simpson Thacher & Barlett have helped the asset manager put billions to work investing in the AI infrastructure buildout this year alone. Kirkland and Simpson Thacher did not respond to a request for comment.

Nay said on a podcast this month that Norm is doing legal work that a Big Law firm that serves Blackstone would normally do. But he clarified he isn't using AI agents for "bet-the-company stuff"—legal industry lingo for the hard-to-tackle problems that justify hefty prices.

Blackstone said publicly in May that Norm Law's work for the firm on an investment matter was handled faster and cheaper than its traditional processes.

In an interview, Kurt Chauviere, who leads Blackstone's legal AI efforts, said that was referring to the first matter Norm Law handled for Blackstone. Norm has since handled more work, and Blackstone is seeing "real" savings compared to traditional providers, though the company declined to specify those savings.

"We anticipate there will be increased competition among legal service providers," Chauviere said.

John Finley, Blackstone's chief legal officer, said: "Given we're in early innings, Blackstone's work with Norm has not yet had any material impact on our use of outside law firms."

## Entering the Zeitgeist

Norm Law's January hire of Michael Schmidtberger, the former executive committee chair of Sidley Austin, added an imprimatur of prestige that is still vital in legal business.

The law firm side of the business is doing work that is "human dependent" and would otherwise be done by top firms, said Schmidtberger. An AI agent will do the first pass, followed by Norm Law's human attorneys.

Schmidtberger, a securities and corporate transactions veteran, left Sidley after hitting the firm's retirement age for leadership positions. Norm Law also has ties to another ex-Big Law leader. Jeff Hammes, who built Kirkland into a private equity behemoth and the country's largest firm, is a Norm investor.

Norm Law's partner roster now totals 18 lawyers. They work side-by-side with software and legal engineers. The goal is to bake the partners' knowledge into repeatable AI workflows meant to handle increasingly complex matters.

A Norm spokesperson declined to provide revenue figures and did not respond to a question about how the AI and law firm operations split the pot. Khosla led

**Michael Schmidtberger** Photo courtesy of Norm Ai

Norm's latest funding round, which raised $120 million in July.

Bloomberg Law asked Norm Law for names of clients that use its services. A company spokesperson provided four—Blackstone, Coatue Management, Bain Capital, and Khosla Ventures—all of which have invested in the company.

## 'Not All Firms Are Going to Make It'

Private equity firms have come under pressure in recent years as they've struggled to sell portfolio companies and return money to investors. That has made them more willing to push back on legal fees as a way to save money, one lawyer with a long track record in the industry said, speaking on background to preserve relationships.

Those clients now see AI as part of that effort. One Norm customer said they have saved between 20% and 70% on fees compared to a traditional provider, though they declined to be named speaking about specifics of their arrangement.

"What they are saying is that you guys won't do this yourself, and you're not willing to see the writing on the wall, so we're going to make it very clear to you," the lawyer said. "It's going to be interesting to see who will be at the forefront of sticking up to law firms."

Norm's investors speak about it in a way that sounds like talking their own book, but also signals frustration with the status quo.

"The investment management ecosystem has needed a law firm built for the benefit of its clients," Matt Harris, a partner at Bain Capital, said in a May release announcing Norm's launch of an emerging companies and venture capital practice.

It begs the question: For whose benefit are traditional law firms built?

Harris, in an interview, said he works with firms such as Ropes & Gray and Kirkland that have been "wildly client-centric." He recalled having just started at Bain in the 1990s, when he placed a call late on a Sunday night to former Ropes chair Brad Malt. Harris felt guilty (he said the experience drove him to leave Bain for a period), but Malt happily spent 45 minutes with him on the phone.

Bain will maintain its relationships with critical law firms "forever," he said, though he hopes they "take inspiration" from Norm to deliver services that are faster and done with fewer humans. Law firms can still make plenty of money even while clients like Bain pay less, he said.

"There is no lack of desire to serve clients," Harris said. "It's merely the physics of the way law firms have been built historically. So there is this race: How quickly can they retrofit themselves to compete with these new models? Not all firms are going to make it."

For clients whose law firms don't adapt, he said, "Norm will be a great answer."

Some traditional law firms have heard the message and are pouring their own resources into AI strategies. Kirkland, perhaps the most prominent example, plans to spend $500 million to develop its own AI platform in the coming years.

"Tools that sit atop and amplify our sprawling web of institutional knowledge, that is our real competitive advantage," Kirkland partner Erica Berthou said in June, discussing a product the firm built with Palantir Technologies Inc.

## AI Talent Battle

The challenge for Big Law and AI-native firms alike is that clients can't reliably know upfront which is best suited for their matters, said Avi Gesser, a partner at

Debevoise & Plimpton. Gesser developed an AI platform inside his firm that's also used by Blackstone and other large financial clients.

Client work typically blends the line between commoditized tasks and unique matters with higher stakes, Gesser said. Big Law firms and AI natives are trying to bridge the same gap: Adding the important qualities possessed by the other to provide a full-service answer for clients.

Who wins will boil down to who is better suited to adapt, according to Gesser. Will the AI-native players get as good at the complex work as the traditional law firms? Or will those traditional players get as good at using AI for repeatable work as the new AI-anchored competitors?

"My goal is that Debevoise gets there first and we are able to provide everything all under one roof including the commoditizable stuff through AI," Gesser said.

Big Law firms' proven revenue model is an advantage that lets them afford to build AI workflows, he said, while venture-backed AI firms will face time pressure to quickly scale partner-level services that carry high costs.

Gesser may be an outlier. Other partners who've built AI-based practices inside large firms have left to stake out on their own. About 45% of in-house attorneys said law firms rarely or never included their use of AI as part of their pitches in the last six month, according to Bloomberg Law's State of Practice Survey released in June.

For now, both sides are engaged in a talent battle.

Big Law firms are looking to hire people who have a rare combination of skills: a technology background and 10-plus years of experience in Big Law.

Big Law could also repurpose its own associates. Goodwin Procter said last week it took six associates away from day-to-day lawyering to build a venture financing tool that uses a customized version of Anthropic PBC's Claude platform. The firm hopes to have 100 lawyers working full-time by the end of the year to build AI tools, working alongside about 100 designers, engineers, and other business professionals.

Norm Law's leaders say they want Big Law associates who have done the legal work before and can be trained on the technical aspects of AI.

"About 10 different top law firms have reached out to us in the last two months saying we have to hire legal engineers," said Sean Burke, a legal recruiter who has worked with Norm to hire associates from top law firms. "And what they want is what Norm is doing. So Norm is just way ahead of everybody."

Norm Ai's cash salaries for legal engineers are lower than Big Law associate pay, Burke said, but the job comes with an equity component that makes the total compensation "comparable." Job posts for associates in Norm Law offer salaries between $270,000 and $410,000.

## Can It Scale?

Schmidtberger is optimistic that Norm will scale to take on more complex matters.

It will use agents to automate the first pass on those matters and hone its skills by ingesting client playbooks and guidelines to learn their preferences, he said. And it charges exclusively on a fixed-fee basis.

He sees the Big Law model hindering firms driven by billable hours and compelled to maximize annual profits.

“They will do the job better and faster,” he said. “I doubt they will do it more economically, because they’re dependent on generating the same or better profit pool to keep their partners in place.”

There is a “strong opportunity” to build agentic workflows for legal work done for private equity clients, said Josh Kubicki, who advises law firms on AI strategy and is a lecturer at Indiana University Maurer School of Law. Norm Law’s model pairing those agents with partners to negotiate and sign off on deals represents “a direct, competitive threat to all the private equity law firms out there,” he said.

“Because they are not an incumbent law firm in private equity, they are able to actually build an agent layer without concern about cannibalizing their leverage model,” he said, using the industry term describing revenue brought in by junior lawyers.

Kaul said he’s happy to pay lawyers to get important things right. He relies heavily on Big Law partners who steer him through legal tasks that he said will remain expensive, such as complex litigation, major transactions, and intellectual property disputes.

Much of Norm’s success, he said, will depend on its ability to recruit more of those top partners. Kaul never works with junior lawyers, he said, and he thinks their work can be done better by AI agents.

Big firms should view Norm as “an incentive to reevaluate their business and see how they should adapt” to a world where rivals are fueled by general processing units, rather than human lawyers, according to Kaul.

“You could be a super genius lawyer out of Harvard,” he said, “you’re not going to compete with a GPU.”

*– Graphics by Michael Domine/Bloomberg Law*

# California cancels talks with Paramount over Warner Bros deal



Aug 24 (Reuters) - California Attorney General Rob Bonta canceled a meeting with Paramount Skydance (PSKY.O), opens new tab representatives scheduled for Monday to begin settlement acquisition of Warner Bros Discovery (WBD.O), opens new tab, his office talks over the state's lawsuit seeking to block Paramount's proposed said.

Paramount has pushed for a settlement in the case, as it faces a mountain of fees and costs to keep the deal together if the lawsuit continues to a trial scheduled for March. Bonta and his partner states have so far won key rulings, giving them leverage if settlement talks continue.

Bonta accused Paramount of leaking details of a meeting held on Friday and acting in bad faith, a claim Paramount has denied.

"Not only did Paramount leak the alleged substance of settlement discussions, but they misrepresented these discussions, demonstrating a lack of good faith," Bonta said, adding his office met with Paramount on Friday. "As soon as Paramount stops playing games and engages sincerely, my office is happy to meet again," Bonta added.

A Paramount spokesperson said the company shares "Bonta's concerns about the public discussions and misreporting that has surrounded this deal."

"As we have assured the Attorney General's office, Paramount has not been the source of the leaks of any of our confidential discussions with the AG's office. We remain hopeful and stand ready to continue good faith discussions to resolve the Attorneys General suit and move forward with our plans for increased competition and increased output to the benefit of the talent and entertainment workers," the spokesperson said.

Bonta has repeatedly indicated an openness to settling cases generally. But he has also said that structural remedies, which could include selling off part of a business, are better than companies promising to take actions.

Paramount Skydance CEO David Ellison has promised to release 30 movies per year and to keep them exclusively in theaters for 45 days.

California and 11 states sued on July 13, arguing the deal would create a media behemoth with the power to raise prices in film and television.

The Wall Street Journal reported on Sunday that Bonta planned to ask Paramount to divest some cable channels and commit to keeping its movie studio separate from Warner Bros before he signs off on their merger, citing people familiar with the matter.

# Johnson & Johnson names new vice president for litigation

reuters.com/legal/legalindustry/johnson-johnson-names-new-vice-president-litigation-2026-08-21

NEW YORK, Aug 21 (Reuters) - Johnson & Johnson is getting a new vice president in charge of litigation about a month after announcing an agreement to resolve tens of thousands of talc lawsuits for at least $5.5 billion, the company said on Friday.

Erik Haas, who has been J&J's global vice president of litigation since November 2020, is stepping down at the end of August, a company spokesperson said. Aviva Wein, who has spent most of her 20-year legal career at J&J, will succeed Haas.

A J&J spokesperson said that Haas has had a “distinguished career and an impactful tenure” at the company.

“We look forward to continuing our relationship with Erik as one of the Company's trusted outside counsel, advising on our ongoing litigation, including talc,” J&J said in a statement.

J&J did not say where Haas would be going next. He was a partner at Patterson Belknap Webb & Tyler LLP before joining the company.

J&J also said Wein is a “proven leader” who understands the company's business and legal priorities.

“We have every confidence in her leadership and in the continued strength of our litigation organization under her direction,” J&J said in a statement.

J&J recently announced a settlement intended to end litigation over allegations that its talc contained asbestos and caused ovarian cancer, which has dogged the company for more than a decade. J&J said the settlement covers about 76,000 claims, including ones consolidated in New Jersey federal court and related cases in state court, that represent nearly all of the remaining talc claims against the company.

J&J previously settled most of the cases alleging that its talc products caused mesothelioma, as well as consumer protection claims pursued by state attorneys general.

J&J says that its talc products are safe and do not contain asbestos. Haas has been heavily involved in the talc litigation, and has frequently criticized plaintiffs’ lawyers bringing the cases based on what he called “junk science.”

Haas oversaw three failed attempts to resolve the talc cases through a subsidiary company's bankruptcy between 2021 and 2025 before the company returned to litigation, scored some key wins in court and announced the new settlement.

# Plaintiffs lawyers' fee slashed in Google privacy settlement

reuters.com/legal/government/plaintiffs-lawyers-fee-slashed-google-privacy-settlement-2026-08-24

Aug 24 (Reuters) - A U.S. federal judge in San Jose has awarded Bartlit Beck and other plaintiffs' firms a reduced legal fee of about $29 million for their work on a settlement resolving a lawsuit that accused Google of programming its Android operating system to collect the cellular data of smartphone users without their permission.

Here are the details:

- U.S. Magistrate Judge Virginia DeMarchi approved the settlement on Friday but said the requested fee of nearly $40 million would have overcompensated the plaintiffs' lawyers.
- The judge said the settlement's primary value was not money for class members but a requirement that Google provide disclosures about Android users' cellular data.
- Google in January agreed to pay $135 million to settle the proposed class action. As part of the settlement, the Alphabet unit (GOOGL.O), opens new tab said it will not transfer data without obtaining consent from Android users when they set up their phones.
- "While the value of such transparency cannot be easily or accurately quantified, such relief is still significant in that it enables users to make informed decisions about whether to consent to the cellular data usage and continue using Android devices," DeMarchi wrote in her order.
- The initial $39.8 million sought by lead plaintiffs' attorneys at Bartlit Beck and Korein Tillery amounted to about 29% of the settlement fund. Attorneys at those firms did not immediately respond to a request for comment.
- Google had opposed the requested legal fees. A spokesperson for the company did not immediately respond to a request for comment.
- DeMarch i also granted final approval to the settlement on Friday.

# Three scientists beat J&J's defamation suit over talc research

reuters.com/legal/litigation/three-scientists-beat-jjs-defamation-suit-over-talc-research-2026-08-21

NEW YORK, Aug 21 (Reuters) - A U.S. judge in Virginia has ruled that three researchers did not defame Johnson & Johnson by publishing research linking cosmetic talcum powder products to mesothelioma, a rare form of cancer.

- J&J sued Theresa Emory, John Maddox and Richard Kradin, alleging that they defamed the company in a 2020 scientific article.
- The article said it reviewed 75 patients who had mesothelioma and had no link to asbestos other than exposure to cosmetic talc products like baby powder.
- U.S. District Judge Jamar Walker on Wednesday ruled in favor of the scientists, finding no evidence of "malice" in their article.
- The litigation revealed some "mistakes" in the data, but nothing that was obvious or ignored at the time of the study, according to the ruling.
- J&J said it would appeal, seeking a trial on its claims that the scientists made false statements about cosmetic talc and asbestos exposure.
- The three defendants are doctors who maintain pathology practices, and who have testified as plaintiffs' experts in asbestos litigation.
- The scientists' attorney, Liz Lockwood, said that the ruling vindicates her clients and strongly affirms the importance of protecting scientific speech.
- J&J has been facing a deluge of litigation over its talc products, and it sued the scientists before agreeing to settle those cases for at least $5.5 billion.
- The company showed that eight of the 75 patients in the 2020 study had been included in a 2019 study by another researcher, even though the 2020 study claimed to have an entirely new set of patients. J&J has also sued the scientist who published the 2019 paper.
- The researchers were comparing anonymized data sets and information provided by lawyers, making it sometimes difficult to detect duplicates, the ruling said.

# U.S. court orders Guardant to pay $245 million in DNA sequencing patent dispute

reuters.com/legal/litigation/us-court-orders-guardant-pay-245-million-dna-sequencing-patent-dispute-2026-08-24

Aug 24 (Reuters) - A U.S. court has ordered Guardant Health to pay more than $245.2 million to TwinStrand Biosciences and the University of Washington after finding that the company infringed patents covering DNA sequencing technology, TwinStrand said on Monday.
Here are the details:

- The U.S. District Court for the District of Delaware entered final judgment on August 21, upholding a 2023 jury verdict that found Guardant had willfully infringed two patents related to TwinStrand's DNA sequencing technology.
- "We strongly disagree with this decision and will promptly be appealing for its overturn," said John Saia, Guardant's Chief Legal Officer. "We have full faith in the strengths and merits of Guardant’s intellectual property and R&D and are confident we will prevail on appeal."
- The court ordered Guardant to pay a 6% royalty on U.S. sales of 11 products and services found to infringe the patents until they expire in March 2033.
- The judgment includes $83.4 million in original damages, $19.5 million in supplemental damages, $119.4 million in accrued royalties, and $22.9 million in pre- and post-judgment interest.
- TwinStrand said the products and services covered by the ruling accounted for about 90% of Guardant's revenue during the infringement period.
- The products covered by the ruling include Guardant360 CDx, Guardant Reveal, the Shield cancer test and several other cancer testing and genomics services sold by Guardant.
- Guardant had sought to overturn the verdict or obtain a new trial, but the court rejected those efforts, TwinStrand said.
- The judgment also upheld the validity of the patent claims at issue, TwinStrand said.
- TwinStrand's Duplex Sequencing technology is designed to detect rare genetic mutations with greater accuracy than conventional DNA sequencing methods.
- TwinStrand said its technology, developed at the University of Washington, is used in cancer research, diagnostics and drug development.

Deep Dive

# Skechers Ruling Throws Cold Water on Hedge Fund Legal Tactic

Aug. 24, 2026, 2:00 AM PDT

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## Summary by Bloomberg AI AI Generated

- Hedge funds are pressure-testing the overhaul of Delaware corporate law, which includes self-dealing safe harbors and protections for founders while reducing investor access to corporate records.
- A Delaware Chancery Court judge recently rejected a bid by hedge funds that bought stock after the announcement of Skechers USA Inc.'s acquisition and sought to use evidence from appraisal proceedings to flesh out their fiduciary breach claims.
- The ruling may disrupt the merger arbitrage play and has raised questions about whether shareholder attorneys are being forced to adapt their strategies in response to the changes in Delaware corporate law.

Hedge funds flocking to arbitrage blockbuster buyouts are pressure-testing the most significant overhaul of Delaware corporate law in decades.

The changes in last year's state Senate Bill 21 — adopting self-dealing safe harbors and protections for founders while reducing investor access to corporate records — are already driving strategic shifts across the plaintiffs' bar. A Delaware Chancery Court judge recently threw cold water on one of those new tactics in an investor class action over the sale of Skechers USA Inc., renewing questions about whether shareholder attorneys are being chased around the game board or just backed into a corner.

"I don't think it's a pure whack-a-mole situation where they close the door and all the litigation rushes in through a window," said University of Colorado law professor Ann Lipton. "If Delaware keeps narrowing that aperture, then yeah, the cases that make it through are going to be really egregious. But there are still going to be a lot fewer of them."

The Skechers decision resolved a four-way battle to lead potentially lucrative litigation targeting the footwear maker's $9.4 billion acquisition by 3G Capital Partners LP. Vice Chancellor Lori W. Will rejected a bid by hedge funds that bought stock after the announcement, filed petitions asking her to appraise the price, and then sought to use evidence from those proceedings to flesh out their separate fiduciary breach claims against Skechers founders Robert and Michael Greenberg.

Her ruling cut off the novel end run around S.B. 21's restrictions, aligning with the law's rationale of channeling shareholder litigation toward serious corporate misconduct — which for the most part isn't directly policed by the government — and away from scattershot cases that business leaders view as a costly nuisance.

"There is definitely a hydraulic effect here," Columbia Law professor Eric Talley said in an email. Altering liability rules inevitably affects legal incentives, and "sophisticated parties (plaintiffs and defendants alike) will try to chase down the path of least resistance," Talley wrote.

But will the new barriers force that river to change course or dam it up?

**Appraisal Arbitrage**

The Skechers ruling came at an odd moment for Delaware's shareholder bar, which finds itself bracing for lean times following the wave of unprecedented successes that crashed into the S.B. 21 backlash. Those victories included landmark wins or settlements involving Elon Musk, Dell Technologies Inc., Microsoft Corp., Boeing Co., and Paramount Global.

"I don't know that the quality of the plaintiffs' firms has ever been as good," said University of Pennsylvania law professor Jill Fisch. "Naturally, that's going to generate more competition."

Expectations about the well running dry have turned a handful of deal challenges, including the Skechers case, into feeding frenzies among dueling slates of rival funds. The fights between high-powered law firms seeking the chief role can turn ugly, as in a case — also on Will's docket — over Silver Lake's $25 billion acquisition of entertainment conglomerate Endeavor Group Holdings Inc.

The heavyweight brawls highlight one adaptation to S.B. 21: Attorneys are increasingly pairing with deep-pocketed institutional investors rather than retail shareholders. A similar transition followed federal adoption of the Private Securities Litigation Reform Act in 1995.

Meanwhile, S.B. 21 has catalyzed a resurgence in appraisal cases — asking a judge to second guess a deal price without necessarily alleging wrongdoing — which were considered nearly dead after several unfavorable rulings. Unlike class actions, appraisal suits yield fees one client at a time, so they're only worthwhile for funds holding enough stock to bet they can more readily prove an unfair price than thread the needle of the new fiduciary breach standards.

"It is unsurprising to see sophisticated plaintiffs looking again at appraisal," Lawrence Cunningham, director of the University of Delaware's Weinberg Center for Corporate Governance, said in an email. "S.B. 21 was designed in part to reduce a specific type of stockholder litigation, but it inexorably enticed a different type."

In the Skechers case, the revival also reflected an attempt to get around S.B. 21 by repurposing corporate records obtained in the appraisal litigation, which is on a faster track. While other shareholders fight for scraps, funds involved in both cases already have "bombshell" evidence, they argued.

**Tiebreaker**

Will's decision, made public Aug. 17, found the dual track created a potential problem, not a tactical edge. The judge also pointed to the timing of the funds' stock purchases — after the transaction was disclosed — suggesting they weren't necessarily in the same position as fellow investors they sought to represent. But she acknowledged her concerns might be manageable in a scenario presenting only one viable lead plaintiff.

That caveat underscores the vibrancy of the shareholder bar, which has made attorney quality an afterthought when multiple top firms get involved, according to Fisch.

The judge's conflict concerns are "being used as a tiebreaker," not an across-the-board rule, Fisch said.

The ruling threatens to disrupt the merger arbitrage play, an established trade that's only getting more popular as appraisal reemerges. The funds argued that a majority of Skechers investors actually bought in after the sale announcement — a dynamic often seen in deal cases.

Will's finding that the funds weren't "typical" shareholders appears to conflict with both market practice and settled precedents conferring standing to sue on anyone holding shares when a deal closes, according to Lipton.

"A lot of people don't like the vibes of it, but merger arbs are actually really good at identifying which are the underpriced deals, and the people who have the resources to buy a lawsuit are likely going to be better plaintiffs," Lipton said.

Shareholder attorneys still regrouping after S.B. 21 could put the same question to the elite business tribunal's other six judges, who are free to make up their own minds.

"The court's incremental approach to lawmaking means you're going to see some opinions that stake out different ground as the law develops," Fisch said. "That tends to get ironed out over time."

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**TikTok to Pay $400 Million to Settle DOJ Child Privacy Case (3)**

Aug. 21, 2026, 5:17 PM PDT

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## Summary by Bloomberg AI

AI Generated

- TikTok Inc. and Chinese parent ByteDance Ltd. agreed to pay $400 million to resolve a lawsuit by the Justice Department accusing the company of collecting data on children in violation of an online privacy law.

- The settlement requires court approval and comes after ByteDance closed a deal to transfer parts of its US operations to American investors to resolve national security concerns.

- The Justice Department said the settlement was among the largest in a case involving the Children's Online Privacy Protection Act and secures a substantial recovery while reinforcing the protections that families expect and deserve.

TikTok Inc. and Chinese parent ByteDance Ltd. agreed to pay $400 million to resolve a a Biden-era lawsuit by the Justice Department accusing the popular social media app of collecting data on children in violation of an online privacy law.

The settlement, which requires court approval, comes several months after ByteDance closed a long-awaited deal to transfer parts of its US operations to American investors to resolve national security concerns.

The Justice Department sued TikTok in 2024 on behalf of the Federal Trade Commission , alleging the company allowed millions of children under the age of 13 to create accounts without their parents' knowledge or consent while making it difficult for parents to request the deletion of those accounts.

The company didn't immediately respond to a request for comment.

TikTok will pay $300 million at first and $100 million more once an order is filed vacating a prior consent decree against TikTok's predecessor, Musical.ly. DOJ said the settlement was among the largest in a case involving the Children's Online Privacy Protection Act.

“This settlement is a major victory for American children and parents,” Associate Attorney General **Stanley Woodward** said in a statement . “The department’s priority is ensuring that children are protected online and that companies entrusted with their personal information meet their legal obligations. This resolution secures a substantial recovery while reinforcing the protections that families expect and deserve.”

Under the terms of the settlement, TikTok would no longer be subject to court oversight of its privacy practices. Since DOJ filed its suit, TikTok has undergone significant changes to in ownership and privacy policies and has taken steps to strengthen safeguards for young users by improving age-related controls and increasing parental oversight, according to the statement.

For half a decade, TikTok and Beijing-based ByteDance weathered a geopolitical and regulatory tug-of-war that threatened to shut down the platform in the US over national security concerns. President Donald Trump attempted to ban the app in 2020 during his first term, but was stymied by the courts.

Congress passed legislation in 2024 to ban the app unless ByteDance sold TikTok, citing concerns that the Chinese government could abuse US user data or use the app to push narratives preferred by Beijing.

After multiple delays, the Trump administration brokered a deal to address the national security concerns and allow the TikTok app to keep operating in the US. The deal, which closed in January, moved parts of TikTok’s US business from control by ByteDance to a new, American-led and majority American-owned TikTok venture.

What the TikTok Deal Means for the App’s Future in US: QuickTake

That entity, helmed by Chief Executive Officer **Adam Presser**, a TikTok veteran, is responsible for protecting US user data, moderating content and securing a content recommendation algorithm leased from ByteDance and retrained with data from American TikTok users. Some of the most valuable pieces of the business — including TikTok’s advertising division and fast-growing e-commerce arm TikTok Shop — remain under ByteDance control.

Oracle Corp., private equity firm Silver Lake Management LLC and Abu Dhabi-based investment company MGX are the three managing investors in the spun-out American TikTok venture, together owning 50% of the new entity. Existing ByteDance investors control 30.1% and ByteDance 19.9%. Oracle, which had already been a TikTok cloud computing partner, is also serving as a security guard of sorts, charged with ensuring TikTok is following the law.

Though many saw ByteDance and China as the winners of TikTok’s yearslong standoff with Washington, Trump has touted the deal as a victory for his presidency. The Trump administration reportedly received a $10 billion fee from investors in the US TikTok venture in exchange for brokering the high-stakes deal.

While TikTok is facing thousands of user lawsuits over child safety and privacy, the Justice Department case has been one of the biggest threats to the company on the privacy front.

The DOJ accused TikTok of widespread violations of the Children’s Online Privacy Protection Act even after the company reached a 2019 settlement with the FTC related to kids’ privacy.

In the 2019 pact, TikTok had agreed to pay $5.7 million to resolve the FTC claims. But in the 2024 suit, the US was seeking penalties as high as $51,744 per violation per day, which could have added up to hundreds of millions of dollars if the government had pursued the lawsuit.

In moving to void the 2019 settlement, DOJ said in a court filing that leaving the pact in place would impose "indefinite federal supervision of a new company that is already subject to federal law and has transformed into a new U.S. entity, with new compliance commitments backed by new US ownership."

Read More: TikTok's New Owner Stands to Inherit 1,500 Safety, Privacy Suits

Even as TikTok resolves the DOJ case, it remains at the center of other major child safety battles. TikTok has been a defendant, along with Meta Platforms Inc., Google's YouTube and Snap Inc., in nationwide litigation aimed at holding giant technology platforms accountable for child safety issues.

TikTok has now settled multiple individual cases over alleged youth harms, but the mass of litigation will likely continue to shine a spotlight on the issues at stake and could potentially lead to large fines and potential orders for the company to change its business model.

(Updates with settlement ending court oversight of TikTok privacy practices in seventh paragraph.)

--With assistance from Riley Griffin.



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# Proposed Broad California Antitrust Legislation Moves Toward Full Senate Vote | Business Information & News | FE



What's new: On August 13, 2026, California's Senate Appropriations Committee advanced Assembly Bill 1776, the COMPETE Act, to the full Senate. The committee amended the bill's new single-firm conduct provisions to remove the private right of action that would have allowed private plaintiffs to sue under those additions, instead limiting enforcement to actions by the attorney general or a district attorney. The Appropriations Committee also amended the bill on August 3, 2026, to incorporate several substantive narrowing changes discussed at the earlier Senate Judiciary Committee hearing.

Why it matters: If enacted, AB 1776 would broaden California's antitrust regime beyond its current focus and may subject businesses to liability for conduct that has long been considered lawful under federal antitrust law. The bill could also make it easier for state AGs or district attorneys to bring antitrust claims based on California law and take them to trial.

What to do next: Companies with a significant market presence in California should continue to monitor this bill closely and evaluate their pricing, distribution and other competitive strategies accordingly.

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On August 13, 2026, the California Senate Appropriations Committee voted 5-2 to advance Assembly Bill 1776 — the Competition and Opportunity in Markets for a Prosperous, Equitable and Transparent Economy (COMPETE) Act — to the full Senate. As we previously highlighted, AB 1776 would amend and significantly expand the Cartwright Act, California's principal antitrust law, by extending it to include single-firm conduct.

The committee's vote followed an August 10, 2026, hearing at which the bill was placed on the committee's suspense file for fiscal review. The vote also occurred after significant amendments adopted on August 3, 2026, narrowed the bill's scope in several respects.

At the August 13 suspense hearing, the Appropriations Committee made a critical change: It removed the private right of action for the new single-firm provisions, limiting enforcement to public prosecutions by the attorney general or district attorneys. Private plaintiffs retain the ability to bring suits under existing Cartwright Act provisions. The bill must now pass the full Senate before proceeding to Gov. Gavin Newsom's desk.

August 3 Amendments Narrow the Bill's Scope

On August 3, 2026, the author, Assemblymember Cecilia Aguiar-Curry, submitted amendments to incorporate several narrowing changes that she previewed during the June 30, 2026, Senate Judiciary Committee hearing (which we recently discussed). These amendments address core elements of the bill's substantive framework:

Narrowed core prohibition. The bill's central prohibition was refined from broadly prohibiting conduct that would "unreasonably restrain trade or monopolize or monopsonize" to specifically prohibiting any person from "monopolizing or monopsonizing" any part of trade or commerce. This focuses the new single-firm provisions more squarely on monopolizing conduct.

Heightened market power standard. The government must now allege and prove "substantial" market power through direct or indirect evidence, rather than simply "market power." This raises the threshold for establishing a viable claim under the bill, although the exact definition will be left for California courts to decide.

Affirmation of lawful competition. The amendments added a legislative finding that a business may lawfully obtain and maintain market power or monopoly power through superior products, services or business acumen. This codifies the federal antitrust law principle that merits-based monopoly power remains permissible.

Procompetitive justifications confined to the same market. The bill now expressly notes that procompetitive justifications should be evaluated in the same relevant market as the challenged conduct. Earlier language would have prohibited offsetting anticompetitive effects in one market with benefits in another market and made no mention of evaluating procompetitive justifications in the same relevant market as the challenged conduct.

Revised relationship to federal antitrust law. The amendments provide that federal antitrust interpretations are now "at most instructive" when construing California antitrust law, replacing earlier language that they were "at most instructive, not conclusive." A separate provision that barred dismissal of a claim under the COMPETE Act based on federal antitrust law was also deleted. These changes could permit California courts to give more weight to federal decisions when ruling on Cartwright Act claims subject to the bill.

Broadened exemptions. The amendments expanded the carve-out for exclusive franchises, contracts, licenses or permits from those authorized by state law and granted by a local governmental agency to those granted and supervised by any local, state or federal governmental agency. A new carve-out was also added for conduct that is required or authorized under state or federal law when that conduct is granted and supervised by a governmental agency. The amended bill further clarifies that it does not impose liability for conduct within the scope of authority granted by covered franchises, contracts, licenses or permits.

August 10 Appropriations Committee Hearing and Fiscal Concerns

At the August 10, 2026, Senate Appropriations Committee hearing, the California Department of Finance voiced its opposition to the bill, raising significant fiscal concerns. The department indicated that the bill could create potentially significant costs for the Unfair Competition Law Fund and the Attorney General Antitrust Account, the accounts used by the attorney general to investigate and prosecute antitrust violations. A key cost driver is the uncertain volume of cases the attorney general would litigate under the new single-firm authority. The Department of Finance further noted that extending antitrust liability to single firms may significantly increase the number of cases filed, which would require additional funding, could increase court backlogs and could create pressure on California's General Fund.

During the hearing, the bill was moved without objection to the committee's suspense file — a procedural mechanism that allows additional time for fiscal review of a bill's budgetary implications before the committee's biannual suspense hearing.

August 13 Suspense Hearing: Advancement and Removal of the Private Right of Action

At the August 13, 2026, suspense hearing, the Senate Appropriations Committee advanced AB 1776 to the full Senate. The most significant development from the hearing was that the committee amended the bill to limit the new single-firm provisions to public prosecutions, removing the private right of action that would have permitted private parties to bring suit under the bill's expanded monopolization framework.

This amendment addresses a central point of controversy throughout the bill's legislative history. During the June 30, 2026, Senate Judiciary Committee hearing, multiple senators expressed concern that the private right of action could generate excessive litigation, and some questioned whether the government should be the sole enforcement authority for the new provisions. With this change, private plaintiffs retain the ability to sue under existing Cartwright Act provisions but cannot bring claims under the new single-firm conduct sections.

Aguiar-Curry expressed disappointment about the removal of the private right of action but characterized the bill's advancement as an important step, stating that the legislation presents "an opportunity to make California's economy more competitive, more innovative, and more open to everyone."

Impact and Next Steps

If enacted, AB 1776 would broaden California's antitrust regime beyond its current focus and may subject businesses to liability for conduct that has long been considered lawful under federal antitrust law. The bill could also make it easier for California's state attorney general or a district attorney to bring antitrust claims based on California law and take them to trial.

AB 1776 must now pass a vote by the full California Senate before advancing to Newsom's desk. The bill must be signed by September 30, 2026, to take effect on January 1, 2027. Although Democrats hold a supermajority in the California Legislature, passage is not assured given the continued opposition from business groups and the Department of Finance. Newsom has not publicly stated a position on the bill, though his administration has generally supported the state's antitrust enforcement efforts.

The legislation presents ongoing legal risk and uncertainty for businesses with a significant California presence. Companies should continue to monitor the bill's progress and evaluate their competitive strategies — including pricing, distribution and other market practices — in anticipation of a potential expansion of California's antitrust enforcement framework.

# SEC charges former Bank of America investment banker with insider trading | Business Information & News | FE



NEW YORK, Aug 21 (Reuters) - The U.S. Securities and Exchange Commission on Friday charged a former senior Bank of America investment banker with insider trading, alleging he tipped a longtime friend and former colleague about a pending merger, allowing the friend to make $18.5 million of illegal profit.

Jason Satsky, who was Bank of America's co-head of Americas power and renewable energy banking, allegedly tipped Gavin Wolfe in late 2021 about the potential acquisition of South Jersey Industries, an energy holding company that the bank was advising.

The SEC said Wolfe, who runs the firm Evergreen Capital and has been Satsky's friend for more than 20 years, bought more than 2.2 million shares of the South Jersey Gas parent worth about $53 million, and realized a 36% gain after the company announced an $8.1 billion buyout on February 24, 2022.

Satsky and Wolfe allegedly communicated multiple times about a possible acquisition, including when they and their wives attended a nationally televised college basketball game between Duke and Kentucky at Madison Square Garden, where Satsky had luxury box seats obtained through Bank of America.

The lawsuit seeks to recoup ill-gotten gains from Wolfe, and impose civil fines and officer-and-director bans against Satsky and Wolfe, among other remedies.

"Jason strongly denies the SEC's allegations and is confident that the evidence will demonstrate that he acted properly and that he will be fully vindicated," Satsky's lawyer Robert Anello said in a statement. "Jason did not provide Gavin Wolfe, or anyone else, with material nonpublic information regarding South Jersey Industries."

Reed Brodsky, a lawyer for Wolfe, in a statement said his client "categorically denies the allegations and will vigorously defend himself." He also said the SEC ignored sworn testimony and documents that showed Wolfe bought South Jersey shares based on an "independent investment thesis."

Wolfe was a senior power and renewable energy banker at Credit Suisse before he and Satsky joined Bank of America in 2012. Evergreen manages Wolfe family assets. Bank of America terminated Satsky in March 2025, the SEC said. Bank of America was not accused of wrongdoing and confirmed Satsky no longer works there. Evergreen did not immediately respond to a request for comment.

# Why shunning Apple Pay no longer works for Walmart | Business Information & News | FE



With contactless payments becoming common, Walmart is easing its restriction on Apple Pay and its supporting technology, ending one of the payment industry's longest standoffs.

Walmart on Monday began accepting Tap to Pay, or Apple's enabling near-field communication contactless technology, at select Walmart and Sam's Club locations, with a full rollout in the U.S. by the end of the year. Walmart's gas stations will support the technology by mid-2027. Walmart and Apple did not comment by deadline, but the decision comes as mobile wallets become mainstream, making it more difficult for merchants to be selective.

Key insights : Walmart will support Apple Pay and other NFC wallets, ending a long holdout.What's at stake : As contactless payments become more common, Walmart's stance was drawing consumer complaints.Forward look: Walmart will support near-field communication in all U.S. stores by the end of 2026 and gas stations by mid-2027.

"Contactless volume overall has grown significantly, especially for mobile wallets, meaning this has become a customer satisfaction issue," Aaron Press, research director for worldwide payment strategies at IDC, told American Banker.

Too big to ignore?

Large merchants, including Walmart, were initially reluctant to support Apple Pay , preferring to use QR codes to support contactless payments as a way to better control transaction data and its potential for marketing.

But NFC contactless payments have become almost ubiquitous, with Apple Pay becoming the world's most popular digital wallet, with more than 800 million users, according to Capital One , which last updated its statistics on July 26. Capital One says Apple Pay usership in the U.S. is on pace to grow from 70 million to more than 84 million in the next four years, adding that more than 90% of U.S. retailers accept Apple Pay and the app has a 92% market share of the U.S. mobile payment market.

"Consumers used to the ease of paying with a tap, whether with a card or a phone, are annoyed when they can't use contactless," Press said. "Contactless is also much faster, and that time adds up in a checkout line, which is again especially true at Walmart's scale."

Consumers have complained about not being able to use NFC wallets at Walmart for years. Comic Kevin Fredericks , for example, made fun of Walmart not accepting Apple Pay in a 2025 social media post that was viewed more than four million times in less than 24 hours.

Why is Walmart caving now? Walmart likely figured out a way to route debit transactions through Apple Pay and Google Pay to minimize costs, and felt enough pressure from customers to make the change, according to Aaron McPherson, principal at AFM Consulting.

"They have also probably managed to negotiate the cost of credit down to the point that it is not significantly above debit," McPherson told American Banker. "Walmart probably got the economics to a point where it made sense for them to give in to consumer pressure."

In its announcement , which did not mention Apple, Walmart said, "We want customers and members to have choice in how they pay, so they can check out in the way that works best for them. Tap to Pay gives customers and members another familiar and convenient way to pay at checkout using contactless payment methods," Walmart said while touting Walmart's own payment options. "Tap to Pay is a great addition to the other payment options already offered like cash, credit card or Walmart Pay — where customers can use the Walmart app to pay, view purchases and receipts, as well as access Walmart+ fuel savings. At Sam's Club, members can also use Scan."

Walmart's holdout

Walmart has often taken a hard line on negotiations with payment providers, threatening to ban credit cards in certain markets and pushing back against legal settlements in class action card fee suits with Visa and Mastercard .

"Walmart's [acceptance of Apple Pay] seems like a win for the card networks and card issuers given that Walmart was reluctant to adopt tap to pay due to the higher cost," Tony DeSanctis, a senior director at Cornerstone Advisors, told American Banker. "Regardless, Walmart interchange continues to be among the lowest in the merchant ecosystem."

Walmart also has its own financial services ambitions. Walmart offers payments and other financial products through its majority-owned fintech, One . It is also exploring its own stablecoin as a way to reduce card acceptance costs and streamline treasury management. And in the past, Walmart was a leader of the Merchant Customer Exchange, a cross-merchant initiative to build a digital wallet as a rival to Apple Pay. The wallet, called CurrentC, never made it out of pilot .

Emerging payment technology may also encourage Walmart to be more open.

Walmart's problem with Apple Pay and Google Pay hiding card details via tokenization gets flipped by agentic commerce, according to Phil Philliou, a payments consultant.

"The same tokenized, interoperable rail that lets a customer tap any wallet will let an AI agent check out on their behalf," Philliou told American Banker. Walmart is already building toward that through the Universal Commerce Protocol with Google and its own Sparky assistant. "Giving up control at checkout now looks like staging for a world where the agent selects the payment method, not the shopper," Philliou said. "Walmart understands the new world of agentic commerce."

California Brief

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# Zillow, Redfin Settle With FTC Hours Before Trial Was to Open

Aug. 24, 2026, 6:42 AM PDT

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The US Federal Trade Commission reached a settlement resolving its antitrust case against Zillow Group Inc. and Rocket Companies Inc.'s Redfin, the agency said.

Redfin will re-enter the market to independently sell online rental listings, an FTC lawyer told a judge in federal court in Virginia, where a trial had been scheduled to start Monday. The companies will also pay $2 million to reimburse state attorneys general who brought the case along with the agency, FTC lawyer Allyson Maltas said.

The FTC said in a statement that the order will restore competition in the online platforms that renters use to find apartments and property managers use to list rentals. Zillow said in a separate statement that the deal will allow its partnership with Redfin to continue. Redfin said that the settlement would allow it to continue syndicating Zillow's listings while it reinvests in a stand-alone rental listings business.

Read More: Zillow, Rocket to Face August FTC Trial Over Rental Listings

The agency sued Zillow and Redfin last year, arguing a partnership between the companies on rental listings violated US antitrust law. A trial in the case had been scheduled to begin Monday morning.



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# 6th Circ. Revives Freddie Mac Subprime Suit From '08 Crash

law360.com/articles/2516604/6th-circ-revives-freddie-mac-subprime-suit-from-08-crash

(August 21, 2026, 11:01 PM EDT) -- The Sixth Circuit Friday revived a long-running securities suit brought by the Ohio Public Employees Retirement System against Freddie Mac and several of its former executives, holding that a district court erred in granting a summary judgment win for the government-backed enterprise and also denying class certification.

The case dates back to the 2008 recession when the Ohio Public Employees Retirement System accused Freddie Mac of failing to warn investors about its exposure to the flagging subprime market and other issues, with Friday's opinion not being the first time the Sixth Circuit has revived the litigation.

In a published, unanimous opinion, the three-judge panel reversed part of an Ohio federaljudge's ruling, finding the lower court needs to reconsider certain factors in deciding class certification.

At the center of the panel's class certification analysis was the district court's rejection of OPERS' "price-maintenance" theory, where allegedly misleading statements don't cause a stock price to rise, but instead help maintain an already inflated stock price by concealing risks from the market.

"We therefore reject the district court's conclusion that OPERS cannot argue that misrepresentations artificially maintained the price of the stock until risks materialized," the panel saidin an opinion authored by U.S. Circuit Judge Helene N. White.

OPERS, which provides retirement benefits and health care coverage to retired public employees, sued Freddie Mac and several of its officers in the wake of the 2008 housing crisis, accusing the federal mortgage giant of concealing its exposure to subprime loans in the period leading up to the housing bubble's burst.

Friday's revival of the suit is the latest chapter in the roughly 18-year-long litigation. It was dismissed in 2014, and then revived by the Sixth Circuit two years later. Following the revival, U.S. District Judge Benita Pearson denied class certification. The Sixth Circuit declined to hear an appeal of that decision, and later ruled that it would not consider the class certification issue until a proper summary judgment ruling was issued.

In September, Judge Pearson **granted summary judgment** for Freddie Mac, finding that OPERS hadn't identified any material misleading statements made by the company in the lead-up to the housing crisis.

Judge Pearson's 64-page opinion gave a host of reasons for granting summary judgment in the company's favor, ultimately concluding that "there is no genuine issue of material fact, and the movants are entitled to a judgment as a matter of law."

While OPERS said internal documents proved that Freddie Mac's leadership knew that the company had purchased more subprime loans than it publicly identified, Judge Pearson said testimony showed that an internal risk analysis did not necessarily identify those loans as subprime, a term that lacked a universally accepted definition at the time.

She also said statements the company made about its "disciplined approach to underwriting" did not amount to securities fraud because the Office of Federal Housing Enterprise Oversight, the now-defunct agency that was in charge of overseeing Freddie Mac, agreed in 2006 that the company's disclosures about its underwriting standards were accurate.

OPERS then appealed the district court orders denying class certification, excluding the testimony of OPERS' expert and granting summary judgment to defendants.

Ruling on the appeal, the Sixth Circuit panel said Friday the district court made "several fatal flaws"when denying class certification and said it needed toreconsider class certification in line with the panel's findings.

The panel rejected the district court's conclusion that Freddie Mac did not trade in an efficient market, which is a crucial factor in establishing reliance for class certification purposes where the plaintiffs depended on the defendant's statements or omission when making a stock purchasing decision.

"And of relevance here, we have suggested that a security traded on the New York Stock Exchange is likely to be in an efficient market," the panel said.

The judges also said the district court erred in concluding that if Freddie Mac was traded in an efficient market, alleged misrepresentations by the company and its leaders would likely cause a jump in its stock price.

"However, the fact that Freddie Mac's stock price did not react to the alleged misrepresentations is consistent with OPERS' theory of price maintenance — specifically, that the misrepresentations at issue artificially maintained Freddie Mac's stock at a consistent inflated price," the panel said, adding that a "price-maintenance theory has more in common with an omissions-based theory of securities fraud than a misrepresentations-based theory."

The panel also said, among other things, that "our conclusion that Freddie Mac traded in an efficient market is hardly surprising given its size and the national attention it drew at the time. Freddie Mac's stock traded at a high volume on the New York Stock Exchange — [OPERS' expert Steven P. Feinstein] estimated that four million shares changed hands daily."

The panel also vacated the district order that excluded Feinstein's testimony, finding that much of its rejection was "bound up" in its rejection of the price-maintenance theory, and reversed its summary judgment order on some but not all the claims.

OPERS' claims concerning statements about subprime exposure were alsorevived, as were its statements about Freddie Mac's "Alt-A exposure," which are mortgages between prime and subprime loans. The panel, however, did not revive allegations over statements about credit risk exposure or underwriting standards.

In a concurring opinion, U.S. Circuit Judge Amul Thapar wrote "in the hope that this case doesn't last another 18 years" some thoughts on, among other things, why he believes the district court made summary judgment more complicated than necessary by demanding the plaintiff produce evidence giving rise to a strong inference of scienter.

"Attorneys and judges should use all the tools at their disposal to facilitate the movement of cases so they don't drag on," Judge Thapar wrote.

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

U.S. Circuit Judges Helene N. White, Amul Thapar and Karen Nelson Moore sat on the panel for the Sixth Circuit.

The Ohio Public Employees Retirement System is represented by W.B. Markovits, Christopher Stock and Terence Coates of Markovits Stock & DeMarco LLC and Richard Wayne of Strauss Troy Co. LPA.

Freddie Mac is represented by Jason Frank, Emily Renshaw and Frederick Block of Morgan Lewis & Bockius LLP and Hugh McKay of Porter Wright Morris & Arthur LLP.

The case is Ohio Public Employees Retirement System v. Federal Home Loan Mortgage Corp. et al., case number 25-3765, in the U.S. Court of Appeals for the Sixth Circuit.

--Additional reporting by Jessica Corso. Editing by Jay Jackson Jr.

# TikTok Inks $400M Deal With DOJ To End Kids' Privacy Suit

**law360.com**/articles/2516610

Allison Grande

(August 21, 2026, 6:23 PM EDT) -- TikTok has agreed to pay $400 million to resolve the U.S. Department of Justice's claims that the short-form video platform illegally collected personal information from kids under 13, marking one of the largest recoveries ever obtained under the federal Children's Online Privacy Protection Act, the feds said Friday.

The deal brings an end to litigation that the DOJ — then under former President Joe Biden and acting on a referral from the Democrat-led Federal Trade Commission — brought in California federal court against TikTok, its Chinese parent company ByteDance Ltd. and several affiliates in **August 2024.** The suit accused the companies of violating COPPA by knowingly allowing minors to create TikTok accounts and unlawfully gathering personal information from them despite being subject to an FTC order prohibiting such conduct.

Under the settlement, TikTok will pay $300 million immediately and an additional $100 million upon entry of an order vacating the **consent decree** that the FTCentered against TikTok's predecessor, Musical.ly, in 2019, according to the DOJ. That agreement with the FTC required the platform's operators to pay $5.7 million for allegedly allowing children to use Musical.ly without parental consent in violation of COPPA and to undertake corrective measures to protect this demographic moving forward.

In announcing the latest deal Friday, Associate Attorney General Stanley E. Woodward Jr. called the DOJ's new settlement with TikTok "a major victory for American children and parents."

"The Department's priority is ensuring that children are protected online and that companies entrusted with their personal information meet their legal obligations," Woodward said. "This resolution secures a substantial recovery while reinforcing the protections that families expect and deserve."

TikTok couldn't immediately be reached for comment Friday.

In the suit it brought to federal court just over two years ago, the DOJ accused TikTok of knowingly allowing millions of children under 13 to create regular accounts and to make, view and share content with adults on its platform, despite the conditions agreed to as part of its 2019 consent decree with the FTC.

The terms of that agreement included requiring TikTok and its affiliates to take steps such as removing all videos posted by U.S. users under 13 and creating a separate experience for younger users, who would be required to enter their age before using the app.

The DOJ claimed in its complaint that, despite being bound by these mandates, TikTok had been relying on "deficient and ineffectual internal policies and processes for identifying and deleting TikTok accounts created by children" and for ensuring that these users' information isn't being scooped up and shared for targeted advertising and other purposes.

The complaint also took aim at TikTok for allegedly collecting and retaining email addresses, website activity data that fueled targeted advertising and other personal information from children under 13 without notifying their parents or obtaining their consent as required by COPPA and for making it difficult for parents to exercise their rights under the law to request that their child's accounts be deleted.

The settlement announced Friday brings an end to the dispute, with the parties filing a joint notice in California federal court stipulating and agreeing to the dismissal of the action with prejudice.

The DOJ also filed a motion Friday in the separate case that the FTC had previously brought against Musical.ly requesting that the 2019 consent order be vacated.

In that motion, the DOJ argued that the seven-year-old deal should be scrapped because it imposes terms on TikTok — whose U.S. operations are **now controlled** by a new U.S.-based joint venture after ByteDance sold its majority stake earlier this year to avoid the app's shutdown — that go beyond what COPPA requires.

"Although [the deal's] requirements may once have seemed prudent to ensure compliance with the law, they now subject a newly formed company with new technologies and new compliance commitments — TikTok USDS Joint Venture LLC (TikTok US) — to requirements not independently imposed by Congress," the DOJ contended in its unopposed motion, which added that TikTok would still be required to comply with COPPA even without the continued existence of the FTC's consent decree.

The DOJ reiterated this stance in its announcement of its deal with TikTok, asserting that since the initiation of the government's lawsuit, TikTok "has undergone significant changes to its ownership, management, compliance functions, and privacy practices."

These enhancements include the company's implementation of "extensive measures designed to strengthen safeguards for younger users, improve age-related controls, and enhance parental oversight," according to the DOJ. These developments "have materially advanced the public interests underlying the Department's litigation and have strengthened protections for millions of American families," the DOJ asserted.

"The resolution reflects the department's commitment to achieving practical results that protect the public," the DOJ said. "By securing a significant recovery while recognizing the substantial compliance improvements already implemented, the settlement ensures that American families continue to benefit from stronger protections without the delay and uncertainty of protracted litigation."

The DOJ added that the claims resolved by the U.S. in the settlement "are allegations only, and there has been no determination of liability."

The government is represented by Stanley E. Woodward Jr. and John Adams of the U.S. Department of Justice.

TikTok is represented by Daniel M Petrocelli and Stephen D. Brody of O'Melveny & Myers LLP.

The case is United States of America v. ByteDance Ltd. et al., case number 2:24-cv-06535, in the U.S. District Court for the Central District of California.

# Zillow Avoids Trial As Redfin Agrees 'To Reenter Market'



(August 24, 2026, 9:38 AM EDT) -- The Federal Trade Commission told a Virginia federal judge Monday that it had settled its lawsuit against a rental listings syndication deal that the agency said amounted to a $100 million payout by Zillow for the smaller Redfin listing service to exit the market.

FTC attorney Allyson Maltas told U.S. District Judge Anthony J. Trenga that the courthouse-steps settlement, which comes with no admission of wrongdoing, will "fully resolve" the twin cases from the agency and a group of state attorneys general. She said the deal requires a modification to the syndication that will allow Redfin to field its own listings.

"Redfin has committed to re-enter the market," Maltas said during what would have been the opening minutes of a two-week bench trial in the Eastern District of Virginia.

The cases are Federal Trade Commission v. Zillow Group Inc. et al., case number 1:25-cv-01638, and Virginia et al. v. Zillow Group Inc. et al., case number 1:25-cv-01647, in the U.S. District Court for the Eastern District of Virginia.

In its formal announcement, the FTC said the settlement scraps "the key term" in the February 2025 agreement "under which Zillow paid Redfin $100 million for Redfin to shut down its internet listing services (ILS) business, exclusively repost apartment listings provided by Zillow, transition its customers to Zillow and stay out of the ILS market for up to nine years."

The settlement agreement, submitted under seal, calls for Redfin to restart its rental listings within six months of its finalization, the FTC said. It will do so "with far more apartment listings," thanks to deal language allowing Redfin to also continue syndicating the listings it gets from Zillow, "unencumbered by the anticompetitive restraints that prevented Redfin from fighting to secure additional listings." And the FTC said Redfin has promised to spend millions of dollars building up its ILS business.

In touting the settlement Monday, Daniel Guarnera, director of the FTC's Bureau of Competition, specifically argued the agreement is something better than what the agency could have achieved if it had proceeded with trial.

"This settlement delivers better, quicker, more certain results for both renters and property management companies than we would have been able to achieve after prevailing at trial, including firm and enforceable commitments by Redfin to relaunch its rentals advertising business," Guarnera said in a statement. "Today's great result delivers on the Trump-Vance FTC's commitment to make sure Americans benefit from competition in markets for housing and the products and services Americans use to find their homes."

According to the FTC, both of its two current commissioners, **both Republicans**, voted in favor of the settlement, which will require court sign-off. In separate posts on X, Chairman Andrew Ferguson and Commissioner Mark Meador both called the settlement a "complete" win that fully resolves the agency's **concerns**.

Redfin also called the settlement "a significant win for Redfin and consumers across the country."

"Renting is the starting point for millions of people on the path to homeownership, and a foundational part of the Redfin journey. This agreement allows us to maintain our rental partnership with Zillow through at least 2030 while building and investing in a standalone rentals business of our own," the company said in a statement. "Consumers will continue to have access to the rental inventory they rely on today, while we build a stronger Redfin that can meet them at any stage — from their first rental to their first home and beyond."

An attorney for Zillow, Ryan A. Shores of Cleary Gottlieb Steen & Hamilton LLP, said in court Monday that the company continues to deny the allegations. Maltas told Judge Trenga that the companies will pay $2 million in attorney fees.

Zillow similarly framed the deal as a win for renters, landlords "and the rental market broadly." The company said the "partnership" with Redfin will "continue unchanged," with listings syndication across Zillow and its Trulia and HotPads, as well as Redfin and its Rent.com and ApartmentGuide.com, remaining "intact."

"And as part of this resolution, both Zillow and Redfin will also offer standalone multifamily advertising products — something we'll launch next year — which will give housing providers even more flexibility in how they work with us," Zillow said in a statement.

Zillow vouched for the challenged syndication as a solution to the "fragmented" U.S. rental listings market that lacks any central place to look for apartments, forcing renters to "bounce from site to site trying to see all the inventory, missing listings that could be the right fit. Housing providers list on multiple platforms and pay for redundant reach."

"Since the partnership launched, multifamily properties on Redfin's websites nearly quadrupled and multifamily properties on Zillow's websites grew almost 40%," Zillow said. "This means renters are getting access to more inventory in more places and housing providers in the category are filling vacancies faster and at lower customer acquisition costs."

What the FTC and its state attorneys general partners from Virginia, Arizona, Connecticut, New York and Washington, proceeding in a parallel complaint, painted as an agreement in restraint of trade and an illegal merger, the companies contended in their **May answering brief** is a procompetitive deal that boosted a flailing Redfin that was facing $800 million in debt. They said the agreement "immediately injected tens of thousands of new apartment listings onto Redfin's websites, giving renters significantly more options — including lower-cost apartments."

The FTC said Monday that the settlement has a 10-year term and calls for Redfin to hire key staff, while Zillow must facilitate the recruitment of its employees, as part of a rental listings buildup.

"For a nine-month period after Redfin restarts its ILS business, Zillow will allow any ILS customer whose contract cannot be canceled within three months to renegotiate their contracts without cost or penalty, allowing them to benefit from the return of an important competitor," the FTC said. "Zillow must notify customers of this contract flexibility soon after Redfin relaunches its advertising business. Zillow also will be prohibited from engaging in any other conduct aimed at preventing or impeding any ILS customer from entering into a contract with Redfin."

Failure by Redfin to live up to its obligations will incur financial penalties, according to the FTC. And the companies must alert the commission before they enter any multifamily rental properties syndication with language restricting the ability of either company to compete for ILS customers, the agency said.

"Rent is unaffordable for far too many Connecticut families right now. This unfair and anticompetitive agreement between two listing giants would have jacked up costs for property managers, and renters would have been the ones to pay the ultimate price. We sued, and today's settlement forces a return to fair competition and choice," Connecticut Attorney General William Tong said in a statement. "We will continue to use every inch of our joint state and federal law enforcement authority to drive down housing costs."

The cases are Federal Trade Commission v. Zillow Group Inc. et al., case number 1:25-cv-01638, and Virginia et al. v. Zillow Group Inc. et al., case number 1:25-cv-01647, in the U.S. District Court for the Eastern District of Virginia.

--Editing by Alyssa Miller.

*Update: This story has been updated to include comment from the parties and settlement details.*

# What To Know About The Hacker Group Targeting Law Firms

law360.com/pulse/articles/2516110

Law firm attacks by the hacker collective Silent Ransom Group increased this month following an uptick in April, with Mayer Brown LLP among the latest targets.

The cybercriminal organization has been active with social engineering and phishing attacks, which aim to trick people into sharing information. The group, which has been around since 2022, primarily targets professional and financial services companies in the U.S. and holds sensitive data for ransom.

"We recently learned that one of our personnel mistakenly sent a small number of documents to an unauthorized third party who misrepresented their identity," a Mayer Brown spokesperson told Law360 Pulse on Thursday. "We have undertaken a thorough investigation with external experts and are taking this issue very seriously. That investigation has confirmed that this was an isolated incident and that the third party did not access our systems."

Mayer Brown is one of several law firm targets this month, along with Troutman Pepper Locke LLP, Riker Danzig LLP and Moses & Singer LLP, according to Ransomware.live, which tracks such incidents.

Law360 Pulse identified **204 reported data breaches** within law firms last year — the highest annual total records since 2020. Silent Ransom Group is one of several threat actors contributing to those incidents.

Here, Law360 Pulse explains the modus operandi of the hacker group, the reaction by targeted law firms and the government, and how firms can be mindful of attempts to steal their data.

### What Is Silent Ransom Group?

Silent Ransom Group, or SRG, uses information technology-themed social engineering calls and callback phishing emails to gain remote access to systems and steal sensitive information, according to a May 2025 memo from the FBI.

Since spring 2023, the group has focused heavily on U.S.-based law firms due to the sensitive nature of client data. While the group has been known in the past for duping victims with a link to cancel seemingly errant subscriptions, SRG has more recently been observed calling potential victims, pretending to be from the firm's IT department and convincing targets to click on a link to join a remote access session using legitimate system management software that won't get flagged by antivirus tools. Once access is gained, SRG attempts to export data through Windows Secure Copy or a hidden or renamed version of Rclone, an open-source program for transferring files.

"They extort the victim by sending them a ransom email threatening to sell or post the data online," the FBI memo said. "SRG will also call employees at a victim company to pressure them into engaging in ransom negotiations. SRG has developed a publicly available site to post victim data, however, they are inconsistent in their use of the site, and do not always follow through on positing victim data."

The threat actors also go by the names Luna Moth, Chatty Spider and UNC3757.

**Who Has Been Targeted**

Some of America's largest law firms have been hit by SRG.

In **April**, Jones Day confirmed that an unauthorized party had accessed the files of 10 clients. Jones Day ranked as the 11th-largest U.S. law firm on this year's **Law360 400** list.

Fox Rothschild LLP was another target, and was subsequently hit with a **proposed Pennsylvania class action** by clients. The initial suit, filed in Philadelphia federal court on June 9, brought claims for negligence, negligence per se and unjust enrichment. At the time, Fox Rothschild had not yet posted a data breach notice, according to the complaint. That changed in July, when the law firm issued letters to affected individuals, the amended complaint states. According to the letters, victims' names and Social Security numbers were exposed in the cyberattack.

According to Ransomware.live, there were 16 victims in April compared to three in May, two in June and one in July. There have been eight so far in August.

**What Law Firms Can Do**

The FBI noted a few indicators that SRG may be attempting to infiltrate systems:

- new unauthorized downloads of system management or remote access tools
- unidentified individuals attempting to access computers and claiming to be IT support
- WinSCP or Rclone connections made to an external IP address
- emails from an unnamed group claiming data was stolen
- voicemails or phone calls doing the same
- and employees receiving unsolicited phone calls from individuals claiming to work in their IT department.

The government further recommended verifying credentials for all individuals accessing firm spaces conducting staff training on resisting phishing attempts, and developing and communicating policies surrounding when and how company's IT employees will authenticate themselves. The FBI also recommends maintaining regular backups of company data and implementing two-factor authentication for all employees.

In **April**,cybersecurity experts gave further advice to Law360 Pulse on avoiding being ensnared by the group's attempts. Frank Gillman, principal at law firm consultancy Vertex Advisors LLC, noted that SRG often targets new employees who are not familiar with all of a law firm's protocols.

"If you create processes that are robust to that, then you don't have to know all those ways," he said. "You just follow your process."

--Additional reporting by Sarah Martinson, Steven Lerner, Xiumei Dong and Emily Sawicki. Editing by Alanna Weissman.