

IN BRIEF

Former SEC Acting Chair Elad Roisman Joins Crypto Giant Fireblocks in Top Regulatory Legal Role

Fireblocks, a New York-based digital asset infrastructure company that serves banks, asset managers and payment providers, has hired former Securities and Exchange Commission Acting chairman and commissioner Elad Roisman as chief regulatory and policy officer and general counsel, regulatory, the company announced.

Roisman joins Fireblocks from Cravath, Swaine & Moore, where he co-led the firm's digital assets practice and advised financial institutions and fintech companies on cryptocurrency regulation since 2022. At Fireblocks, he will oversee regulatory strategy and policy engagement and serve as the company's primary liaison with regulators and standards-setting organizations, Fireblocks said.

In a post on LinkedIn, Roisman said he was "looking forward to engaging with regulators and working with financial institutions as digital asset rules and laws take shape across the US, Europe and beyond."

During his tenure at the SEC from 2018 to 2022, Roisman participated in more than 100 rule-makings and over 1,000 enforcement actions, according to Fireblocks. He also previously served as chief counsel to the Senate Banking Committee and chief counsel at NYSE Euronext. Most recently, he advised clients at Cravath on digital asset regulation and testified before Congress on cryptocurrency market structure legislation.

Roisman also worked as counsel to former SEC commissioner Daniel Gallagher from 2012 to 2014. He started his career as an associate with Milbank, Tweed, Hadley & McCloy in 2006 and received a bachelor's degree from Cornell University and a law degree from Boston University School of Law.

"Having people who under-

stand the mindset and missions of regulators enables us to help inform policymakers and support our clients as rules come into place," Fireblocks CEO and co-founder Michael Shaulov said in a statement announcing the appointment.

Notably, however, Roisman is not replacing Fireblocks' general counsel.

Irena Libov remains Fireblocks' general counsel for most legal matters, according to a company spokesperson. The company's announcement describes Roisman as "general counsel, regulatory," a title suggesting a specialized regulatory and policy role.

Founded in 2018, Fireblocks provides digital asset infrastructure used by banks, asset managers and payment companies to custody, transfer and manage cryptocurrencies, stablecoins and tokenized assets. The company says its platform has secured more than \$14 trillion in digital asset transactions. The company employs around 1,000 people and has raised roughly \$1 billion from investors.

Roisman arrives at a pivotal moment for the industry. In announcing the hire, Fireblocks pointed to the enactment of federal stablecoin legislation in the United States, ongoing congressional work on market structure legislation, implementation of the European Union's Markets in crypto-assets regulation, and developing regulatory frameworks across Asia and the Middle East.

The company has also been pulled into legal disputes arising from the Celsius Network bankruptcy, including efforts by the crypto lender's estate to obtain information about lost cryptographic keys tied to cryptocurrency assets worth tens of millions of dollars. Fireblocks has opposed the discovery effort and denied wrongdoing.

— Michael Gennaro

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TRUSTS & ESTATES: **Petitioner fails to show meritorious adverse possession claim for Staten Island property.** *Estate of Kenneth Robinson*, Surrogate's Court, Richmond.

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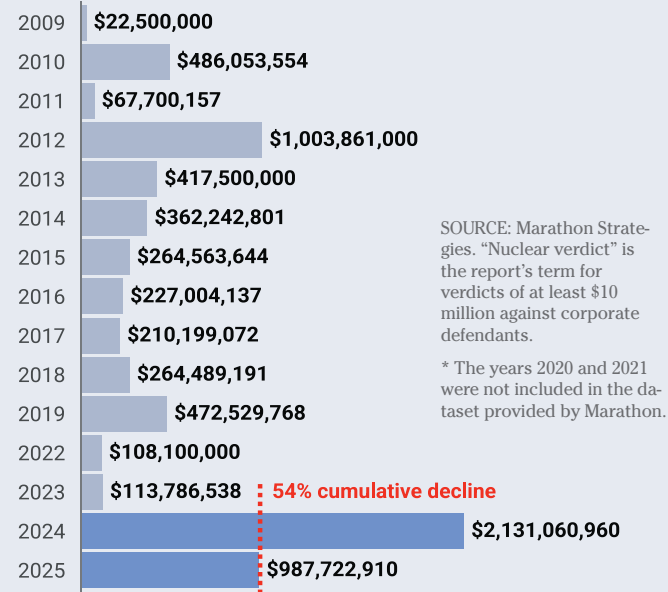
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New York Corporate Verdicts Exceeding \$10M

Sum of Verdicts, 2009–2025*



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Record 'Nuclear Verdict' Count Fuels Debate Over New York's Litigation Climate

BY BRIAN LEE

THE NUMBER of jury verdicts exceeding \$10 million against corporate defendants nationwide reached a record in 2025, although the aggregate value of those awards in New York fell by more than half from the previous year, according to a new report that reignited debate over the state's litigation climate.

In 2025, Marathon Strategies identified 190 lawsuits producing

what the New York City-headquartered communications and public affairs firm calls "nuclear verdicts."

The figure represents a 40.7% increase from 2024 and the largest annual count in its review of cases dating to 2009. The gross awards totaled more than \$25.6 billion.

New York accounted for 14 of the verdicts, worth a combined \$987.7 million. That placed the state eighth nationally by aggregate award value, behind Georgia, Nevada, Texas, California, Florida, Maryland and Louisiana.

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E-Filing Expands Into Family Courts in Additional North Country Counties

BY BRIAN LEE

THE NEW YORK State Unified Court System has expanded electronic filing in Family Court to Clinton, Essex, Hamilton and Washington counties, continuing a broader effort to bring e-filing to additional courts and jurisdictions across New York.

Tuesday's rollout follows a series of recent e-filing expansions, including Family Court implementations in Franklin, Montgomery, St. Lawrence and Warren counties in July and Oswego County earlier this year.

The court system also announced e-filing initiatives this month affecting Suffolk County District Court and city courts within the Ninth Judicial District, underscoring the judiciary's continuing effort to digitize court operations across multiple court types and regions.

For lawyers practicing in rural parts of the state, the latest expansion could have an outsized impact. Debra Whitson, founder of Whitson Law Firm, which maintains offices in Elizabethtown, Plattsburgh, Saratoga Springs and Albany—and serves clients across much of northern and

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Deal Watch: Big Law Firms Steer Flurry of Sports Deals, in Another Banner Week for Dealmakers

BY PATRICK SMITH

SPORTS deals highlighted the past week for Big Law transactions, drawing several top law firms for the work.

Liverpool FC, one of soccer's flagship franchises, saw a 30% stake in the club go to an investment consortium led by Jeff Bezos. A&O Shearman; Latham & Watkins; Orrick, Herrington & Sutcliffe; and Cleary Gottlieb Steen & Hamilton were among the firms landing on the deal.



Anfield Stadium, home of Liverpool Football Club, Merseyside, U.K., Jeff Bezos has reportedly purchased a 38% stake of the club.

Short Seller Faces Renewed Defamation Allegations Over Report Linking Business to Drug Cartel

BY ALYSSA AQUINO

AN ARCHITECTURAL glass manufacturer has renewed its defamation suit against Culper Research, accusing the activist short-selling firm of falsely reporting that its owners were involved with the Sinaloa Cartel to force a drop in its stock price.

Tecnoglass Holdings and co-founders José Daes and Christian Daes argued in court papers that Culper Research and owner Christian Lamarco were aware that their report into Tecnoglass' alleged activities was based on documents that government officials dubbed false.

"The Mexican government has publicly and unequivocally made clear as early as February 2024, eighteen months before the Defamatory Report's publication, that the Fabricated Mexican Intelligence



Christian Lamarco, founder of Culper Research

Reports are fictitious," according to the complaint, which was filed in the U.S. District Court for the Southern District of New York on Monday.

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Quinn Emanuel Expects to Reach \$3B Revenue Goal, as Leaders Reshape Management Strategy

BY AMANDA O'BRIEN

QUINN Emanuel Urquhart & Sullivan is set to have a marquee financial year, with firm co-managing partners William Burck and Michael Carlinsky predicting the firm will surpass its goal to reach \$3 billion in revenue and \$10 million in profits per equity partner by the end of 2026.

Yet underlying Quinn Emanuel's anticipated performance is a year of some uncertainty and disruption. Firm co-founder John Quinn abruptly stepped away from leadership in May, remaining a partner with a non-executive chair title and focusing on travel and business development; competition for talent remains fierce; and AI and private equity investment are set to transform the industry.

Carlinsky and Burck are taking it in stride. In a conversation with Law.com, the firm co-leaders, who retain active practices while managing roughly 1,300 attorneys, say they are investing in new talent and technology to remain competitive in the current market, while reshaping firm governance and enhancing business development to help the



William Burck, Quinn Emanuel co-managing partner



Michael Carlinsky, Quinn Emanuel co-managing partner

firm achieve record financials.

And while it was reported earlier this month that Quinn Emanuel leaders had spoken with an investment bank about private equity investment, Burck and Carlinsky said they have taken no steps for such a stake.

"We have no plans to restructure our firm to take on private equity," Burck said, while also pointing to legal, legislative and court issues with such moves. "We don't think we need PE money. Part of the idea behind this is that there

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Meanwhile, Global Enterprises, the holding company for baseball's New York Yankees, reached a \$2.6 billion funding agreement with subsidiaries of Apollo. The firms steering the deal include Gibson, Dunn & Crutcher; Katten Muchin Rosenman; and Paul, Weiss, Rifkind, Wharton & Garrison.

And Mark Walter, owner of the Los Angeles Lakers since last year, has agreed to sell the franchise he paid \$10 billion for last year for \$12.5 billion this year to a group led by Bob Iger and a Kushner, according to several news reports. The firms on the deal aren't yet public.

What does it mean when flagship properties are involved in an increasing number of big transactions?

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Civil and Supreme Court calendars for New York and surrounding counties are now **available weeks in advance** at [nylj.com](#). Search cases by county, index, judge or party name. Important Part information, including addresses, phone numbers and courtrooms are updated daily. **Only at nylj.com.**

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As White-Collar Prosecutions Fall, AG Blanche Expected to Follow Trump Status Quo

BY ABIGAIL ADCOX

WHILE the Justice Department now has a new Senate-confirmed leader, several legal community observers said they are not expecting a large shift in investigations and enforcement work under Attorney General Todd Blanche, compared to his predecessor, Pam Bondi.

The Trump administration has already scaled back white-collar prosecutions, data figures show. The DOJ is likely to continue to move away from some traditional types of white-collar enforcement and instead prioritize violent crimes, immigration and DEI-enforcement under Blanche, legal observers say.

"[Blanche] will be a continuation of Bondi and has been on the critical issues such as whether white collar is going to be an actual priority of the administration," said Jonathan Jeffress, a partner at Kaiser, a litigation and investigation

boutique in D.C. "What it seems like is that they've all but abandoned white-collar enforcement to focus on street crime and lawfare; I don't expect that to change."

According to June 2026 data from the Transactional Records Access Clearinghouse (TRAC), monthly white-collar prosecutions were down 18% compared with those from one year ago. Prosecutions over the past year are still much lower than they were five years ago, TRAC said.

Jeffress said he's seen a shift within his own practice. He's handling more diversity, equity and inclusion-related cases, as the Trump administration has taken enforcement actions against universities, companies and other entities for diversity-related charges.

"There is very little traditional white-collar [work]. Some white-collar areas have been entirely wiped out, like the Foreign Corrupt Practices Act. ... The only

thing really going on is DEI enforcement," said Jeffress, adding that while there is some white-collar activity in other areas, it's "nothing compared to what it used to be."

In June 2025, the DOJ released revised guidance revamping how it will pursue cases under the Foreign Corrupt Practices Act—a major regulatory scheme where law firms had found significant white-collar work. The revised guidance followed a six-month pause on new and existing FCPA enforcement matters.

DOJ Exodus

Stacey Young, founder and executive director of Justice Connection, a nonprofit advocacy organization founded to support current and former DOJ employees, added "with the deprioritization of white-collar crime and white-collar criminal enforcement, that leaves less work for [white-collar defense lawyers]."

"I think [Blanche is] going to maintain a tight hold over every component in the department to ensure that they don't deviate from the president's priorities. Historically, attorneys general generally gave a degree of deference to the experts who ran individual components, and I don't think we're going to see that as much," Young said.

Besides President Donald Trump's priorities, attorney exits and layoffs across the DOJ over the past year and a half also could affect the department's work capacity, Young observed.

"When the department loses some of its top talent across the department, it's losing irreplaceable institutional knowledge and expertise. The department can't do anything as well," said Young. "We don't see the exodus of career employees slowing down. And I don't expect that we will unless Todd Blanche implements a course correction."



Todd Blanche during his confirmation hearing to be deputy attorney general last year.

A DOJ spokesperson didn't return a message seeking comment on attorney expectations for Blanche.

During an inaugural address to the Justice Department workforce last week, Blanche vowed to uphold the rule of law "without fear or favor," telling employees he will welcome their ideas and encourage disagreement.

"I will not get every decision right," Blanche said Aug. 13. "But

I do promise you this: I promise you that I will work as hard as any of you. I promise you that I will listen to you, that I will listen to the ideas that you have or the adjustments that we need to make."

Before he was confirmed by the U.S. Senate this month, Blanche had served as acting U.S. attorney general since April, when Bondi stepped down.

Blanche, a criminal defense lawyer by trade, previously » Page 8

Apple's Kate Adams Leads Ranks of Top-Paid Female GCs in 2026 GC Pay Report

BY TRUDY KNOCKLESS

GOLDMAN Sachs' Katherine Ruemmler collected nearly \$10 million in cash compensation last year—almost twice as much as the next-highest-paid woman by that measure—but she still wasn't the highest-paid female legal chief overall.

That distinction went to Apple's Kate Adams, whose roughly \$22 million stock award propelled her total compensation to \$27.03 million, while Warner Brothers Discovery's Priya Aiyar also moved ahead



Kate Adams, General Counsel at Apple

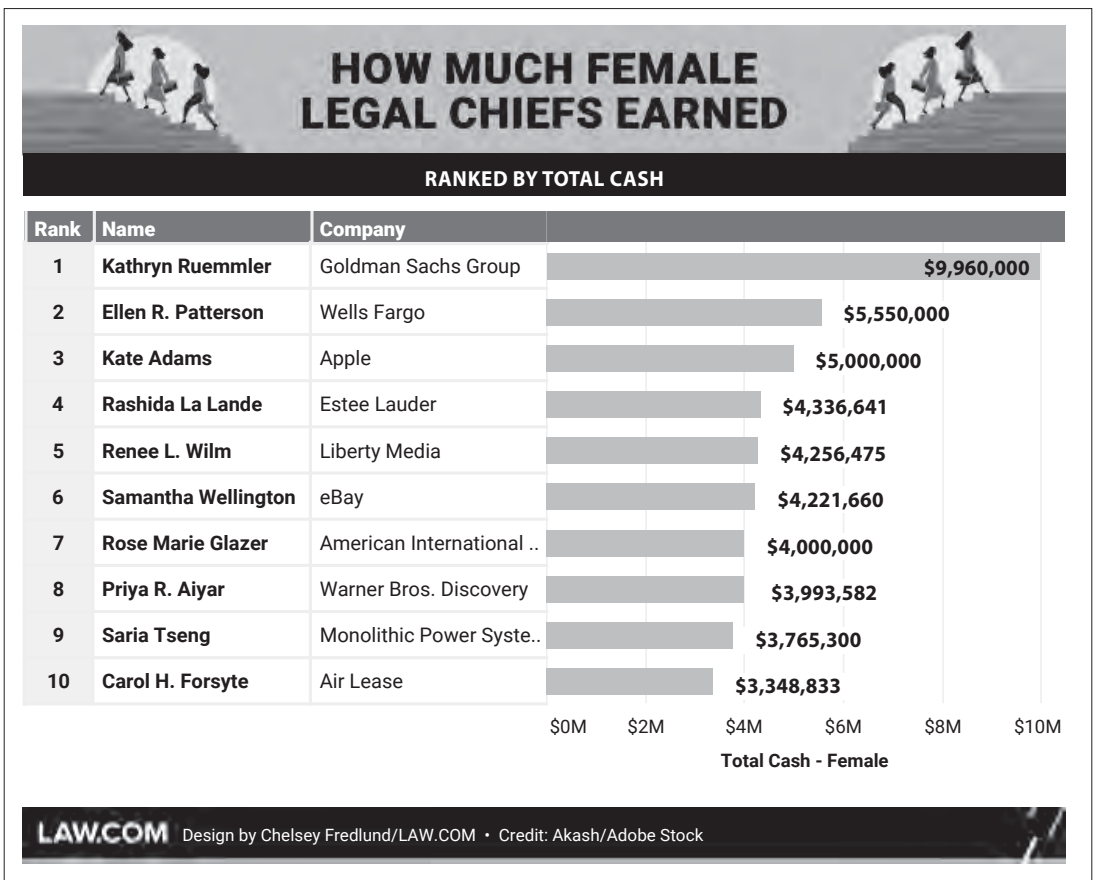
and \$22.29 million, respectively.

But when those same executives are reordered by cash compensation, the picture changes considerably. Ruemmler led all female legal chiefs with \$9.96 million in cash compensation, including a \$1.5 million salary and an \$8.46 million bonus. Wells Fargo's Ellen Patterson came in second at \$5.55 million, followed by Adams at \$5 million.

Aiyar, despite ranking second among women in total compensation, was eighth in the female cash ranking at just under \$4 million. The difference is equity. Adams' \$22.01 million in stock awards accounts for more than 80% of her total compensation. Aiyar received \$17.73 million in stock awards, representing more than three-quarters of her package. Ruemmler, meanwhile, received about \$12 million in stock awards on top of her unusually large cash payout.

That pattern extends deeper into the rankings. Adobe's Louise Pentland received approximately \$12.53 million in stock awards out of \$15.59 million in total compensation. Jennifer Chu's (TPG) \$14.4 million package included \$11.54 million in stock. Whitney Chatterjee (Apollo Global Management) received \$11.8 million in stock awards out of \$14.29 million, while \$12.56 million of Victoria Valenzuela's (AppLovin) \$13.02 million package came from stock.

The rankings, compiled by Law.com Intelligence, include all Fortune 1000 legal chiefs who rank among their company's five high-



est-paid executives—the threshold for disclosure under Securities and Exchange Commission rules.

The numbers reinforce a compensation shift that has been surfacing across other studies of the in-house market.

BarkerGilmore's 2026 In-House Counsel Compensation Report, released this spring, found that

the biggest gains at the top of the GC market were increasingly tied to company size, ownership structure and access to long-term incentives, particularly at public and private equity-backed companies.

"The divergence at the top reflects a meaningful evolution in how organizations define the general counsel role," Mary Rombaut,

a fractional chief marketing officer at BarkerGilmore, said at the time. "Boards and CEOs increasingly expect the GC to operate as a full enterprise leader, not simply the head of legal."

For women, though, the latest Corporate Counsel numbers also carry a more familiar message: Those who reach the uppermost

tier are being rewarded handsomely, but the number getting there isn't growing. Five women landed among the 20 highest-paid legal chiefs overall this year, down from six in last year's rankings.

That follows several years of uneven movement. Last year's analysis found six women in the top 20, compared with five a year earlier, and nine in 2023. This year, that number fell to five. Female representation across the broader list also had barely budged, hovering around 35% to 36%.

The staying power of some names is equally notable. Adams and Ruemmler were the only female legal chiefs to make the top 20 in each of the previous three years, and both remain firmly entrenched near the top this year.

The cash-versus-equity divide also helps explain why some familiar names rank very differently depending on the measure used. Ellen R. Patterson, for example, was No. 2 among women in cash compensation at \$5.55 million but ranked No. 25 overall in total compensation at \$12.6 million. Estee Lauder's Rashida La Lande was fourth among women in cash at \$4.34 million, yet ranked No. 37 overall with total compensation of \$10.89 million. Her package included about \$6 million in stock awards—substantial, but far below the equity grants received by women near the top of the overall list.

According to Corporate Counsel's 2026 report, the pay market is one in which the size and structure of long-term incentives » Page 7

4th Circuit Blocks Policy Allowing ICE Arrests at Houses of Worship

BY AVALON ZOPPO

A FEDERAL appeals court on Tuesday blocked the Trump administration from allowing immigration agents to make arrests at places of worship, with a concurring judge faulting the government's "inexplicable failure" to offer arguments defending the new policy.

The U.S. Court of Appeals for the Fourth Circuit, in upholding a federal judge's preliminary injunction, agreed with several religious groups who allege the policy has and will continue to dissuade immigrants from gathering to worship, and likely burdens their rights under the federal Religious Freedom Restoration Act.

"The evidence showed that this increased threat of immigration enforcement at the plaintiffs' houses of worship has resulted in substantial pressure on the plain-



U.S. Immigration and Customs Enforcement officers during an arrest.

tiffs to violate numerous beliefs," Judge Barbara Keenan wrote, joined by Judges Pamela Harris and G. Steven Agee.

In 2025, the U.S. Department of Homeland Security advised Immigration and Customs Enforcement agents to use "common sense" when deciding whether to carry out enforcement activity in or outside a house of worship. Prior to the change, DHS directed agents to avoid enforcement at houses of worship to the "fullest extent possible."

The preliminary injunction issued by U.S. District Judge Theodore Chuang of the District of Maryland requires DHS to abide by the prior DHS guidance when pursuing enforcement actions "in or near the [p]laintiffs' places of worship."

In its decision, the Fourth Circuit cited declarations from members of Quaker congregations who stated

they would "not be as encouraging of any immigrant joining [them] for worship" out of fear of exposing them to law enforcement.

The court added the government presented no evidence that the policy is the least restrictive way to further its stated interest in achieving uniformity in immigration law enforcement.

In a concurrence, Agee said the religious groups have been injured by a reduction in monetary contributions in addition to the decline in attendance.

Agee also stressed the court's decision is partly due to the government's "inexplicable failure ... to advance any relevant evidence or legal argument" showing the policy is the least restrictive means of securing a government interest.

"Rather than engaging in that discourse and proffering any evidence or a responsive argument

or alternative position related to the salient analysis, DHS—as Judge Harris put it at oral argument—'stubbornly' refused to engage on that question," Agee wrote.

"Whether that was its calculated litigation strategy or simply negligence does not change the result that DHS has waived (not forfeited) any new arguments on this point for purposes of this appeal," Agee added. "Today's decision stems directly from the record that the plaintiffs marshaled and left untouched by DHS. As observed at oral argument, 'It's very hard to win a case without evidence or legal argument.'"

The Fourth Circuit issued its decision in *Yearly Meeting of the Religious Society of Friends v. U.S. Department of Homeland Security*, No. 25-1512.

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Expert Analysis

PROCEDURAL LAW

Navigating the AVOID Act’s 2026 Amendments to CPLR 1007

Several pieces of legislation taking effect in the spring of 2026 had a lot to offer CPLR junkies, but the changes afoot also address basics of everyday practice. Among these important procedural amendments, CPLR 1007 was overhauled to change the rules for commencing third-party actions. The amendments are part of the “avoiding vexatious overuse of impleading to delay (AVOID) act,” which took effect on April 18, 2026.

While our legislature can be applauded for a catchy title, better care should have been taken with the legislation itself, which creates several issues that lawyers and the courts will need to address. This piece will explore some basic points on third-party practice, address the amendments to CPLR 1007 made by the AVOID Act, and offer suggestions for navigating them.

Effective Date of Amendment

The first issue is whether the AVOID Act applies to all third-party actions commenced on or after the effective date, or only when the main action is commenced on or after the effective date. The legislation states that it “shall apply to all cases commenced on or after such date.” Chapter 79 of the Laws of 2026, §3.

Therefore, it appears that the AVOID Act will only apply in actions commenced on or after April 18, 2026, and will not apply to third-party actions commenced in actions pending before that date. See *LAM Group v. Anthony T. Rinaldi LLC*, 2026 WL 1691299 (Sup. Ct., New York County 2026)(holding that because main action was commenced in 2022, the amended CPLR 1007 would not apply to defendant’s application for leave to commence a third-party action in May of 2026).

It’s possible, however, that a court will interpret “cases” to

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By
Patrick M.
Connors



include third-party actions. Until appellate authority addresses the matter, all defendants commencing third-party actions should attempt to satisfy the amended CPLR 1007, even in actions commenced before April 18, 2026.

Commencing a Third-Party Action: What’s Changed and What Remains the Same

Third-party practice, otherwise known as impleader, did not require court leave under the former CPLR

The first issue is whether the AVOID Act applies to all third-party actions commenced on or after the effective date, or only when the main action is commenced on or after the effective date.

1007. Defendant (D) merely filed a summons and third-party complaint and served those papers on the third-party defendant (X)

along with copies of all prior pleadings in the action. A separate filing fee must be paid for this, but no separate index number is assigned (the index number of the main action remains applicable, usually with an “x” appended to it). The omission to serve the prior pleadings is sometimes held a jurisdictional defect, but the better view is that it is at worst a correctible irregularity. See, e.g., *Hansen v. Brognano*, 137 A.D.2d 880, 881 (3d Dep’t 1988); CPLR 2001.

Just as plaintiff (P) had to accomplish proper filing and service of the initiatory papers upon D, so too D has to properly file and serve the summons and third-party

complaint upon X. The methods of service are the same as those that apply to the initial commencement of an action, i.e., they’re governed by Article 3 of the CPLR. See *Siegel & Connors*, New York Practice §§66-76B (6th ed.).

A substantial amendment to CPLR 1007(a) now requires that service be completed by D within 20 days of the filing of the third-party summons and complaint, rather than the usual 120 days that govern service of the initiatory papers used to commence the first-party action. See CPLR 306-b.

The AVOID Act also amended CPLR 306-b to remove reference to “third-party summons and complaint,” leaving CPLR 1007 to govern in instances in which the third-party summons and complaint is not served within the 20-days prescribed by CPLR 1007(a), a matter discussed below.

X must answer the third-party complaint. See CPLR 1008. The answering time is determined by the place and method of service, just as if X were a D initially sued. See CPLR 3012; *Siegel & Connors*, New York Practice §110. The rules pertaining to X’s obligations were not altered by the AVOID Act.

D is also still required to serve a copy of the third-party complaint on P’s attorney, which must be done “simultaneously” with the “issuance for service” of the third-party complaint. CPLR 1007(a). The service of the third-party complaint on the P’s attorney can be accomplished using the methods for service of interlocutory papers in CPLR 2103(b). See *Siegel & Connors*, New York Practice §202.

This enables P to keep abreast of any impleader introduced into the action and explore the possibility of bringing direct claims against X. See CPLR 1009; *Siegel & Connors*, New York Practice § 164. The AVOID Act, being an extremely pro-plaintiff measure, does not affect P’s right to assert such claims at any point during the action.

The same bases for extraterritorial jurisdiction available against an original D are available against X. Thus, whenever the requirements of CPLR 313 are met as

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SECURITIES LAW

Insider Trading in Biopharma: An Infection Bound to Spread?

The biotech industry—already plagued by insider trading—might see this problem get even worse due to the infection vector of prediction markets. Already, an outsized portion of insider-trading prosecutions involves the biotech industry.

But that doesn’t come as a surprise—after all, whether the FDA approves or disapproves a process or product can be the difference between a company’s share price catapulting cartoonishly and cratering completely, making inside information about the status of FDA review particularly valuable.

Many insiders in biotech companies find themselves at the dangerous intersection of unfettered access to material nonpublic information (MNPI), opportunities to profit from that information, and, unlike financial services employees, insufficient education in securities compliance.

In the last year alone, law enforcement agencies brought cases against (1) a biostatistician who analyzed clinical data; (2) a contract documentary producer hired to create promotional materials about a biotech firm; and (3) a research scientist who bought short-dated out-of-the-money options after learning of imminent FDA action. There were others as well.

In the vast majority of these cases, insider traders were caught because market surveillance systems identified red flags, including anomalous trading patterns (like trades immediately preceding the announcement of market-moving information), large transactions made by those who have never traded equities before, or the purchase of short-dated out-of-the-money options.

Because securities regulators have access to a wide range of trade data, it is relatively simple to identify unusual trading patterns and connect names to these trades.

Regulators can thus track trades, identify who placed the



By
Howard
Fischer



And
Samuel
Goodstein

applicable orders, and determine when and at what prices trades were made. All of this is because securities markets are designed to be relatively transparent.

But all of that might be changing, and for the worse.

On July 16, Kalshi opened a pilot suite of prediction markets where participants can take positions on clinical trial outcomes and FDA approvals.

Because securities regulators have access to a wide range of trade data, it is relatively simple to identify unusual trading patterns and connect names to these trades.

Kalshi has purportedly limited the markets to late-stage clinical trials being run by established biopharma enterprises, listing contracts only after patient enrollment is completed (to limit the risk that recruitment or enrollment decisions can be influenced by predictions), and required employment verification to more effectively police prohibited trading by insiders.

However, despite Kalshi’s attempts to protect market integrity, the temptation to obtain an improper edge persists. Kalshi’s own biotech prediction markets announcement highlighted that “[t]he odds that a drug will succeed are among the most valuable numbers in the economy.”

In a world where a White House teleprompter operator misuses their insider position to trade contracts based on the content of

President Trump’s speeches, it is unlikely that Kalshi’s precautions, laudable as they are, will eliminate insider trading. Leaving aside the fact that excluding insiders as participants does not prevent friends, family, or other tippees of those insiders from trading, there are several remaining causes for concern.

First, unlike the equities markets—which are policed by the Securities and Exchange Commission (SEC), United States Attorneys’ Offices (USAOs), state securities regulators, and attorneys general—prediction markets are currently regulated by the Commodity Futures Trading Commission (CFTC). By nearly every measure, the CFTC is a weaker regulator than its fellow agencies.

Not only does it lack the manpower and enforcement experience of the other agencies, but the rule employed by the CFTC to combat insider trading—CFTC Rule 180.1 (which was adopted in 2011 and explicitly modeled after the SEC’s Rule 10b-5)—only recently reached its adolescence and is significantly less established.

The CFTC’s expertise and enforcement capacity were not developed either in connection with issuer-specific MNPI or the biotech industry, important gaps in policing biotech prediction markets. Moreover, the CFTC has been criticized recently on the grounds that its closeness to the prediction markets has impaired its independence.

Second, prediction markets lack the transparent reporting infrastructure of securities markets. For example, prediction markets have no analog to the Consolidated Audit Trail (CAT), which allows regulators to track securities trading.

Prediction markets do not give regulators the same ability to reconstruct trading activity, identify beneficial owners of accounts, trace order routing, examine account histories, and connect suspicious trades to people with access to MNPI.

Even if the prediction markets themselves collect similar information, the CFTC cannot rely on the corporations operating them to perform its regulatory

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Real Estate Trends

REALTY LAW DIGEST

By
Scott E.
Mollen



Adjacent Development—Construction Delays—Economic Losses Related to Stop Work Order Issued During Excavation—Developer’s Negligence Counterclaim Against Adjacent Owner Dismissed Based on the ‘Lack of a Legally Cognizable Duty’—The ‘Worse Condition of a Building, the Greater the Burden on the Excavator to Protect It’—The Developer, Not the Adjoining Landowner Was in the Best Position to Protect Against the Risk of Harm From the Excavation/Foundation Work—Since Plaintiff’s Building Had Been Built Years Before Developer’s Excavation/Foundation Work, the ‘Costs and Burdens Related to Construction Delays on Unknown, Future Projects Would Have Essentially Been Impossible to Predict and, Depending on the Size of Such Future Projects, Could Have Subjected It to ‘Insurer-Like Liabilities’ and ‘Crushing Exposure’....’

A plaintiff appealed from part of a trial court order which denied the plaintiff’s motion to dismiss the defendant’s counterclaim for negligence. The plaintiff owns a nine-story building located in Manhattan. The defendant is a developer and owner of an adjacent property. In March 2023, the developer commenced excavation/foundation work “in connection with the construction of a new building on its property (the project).” The plaintiff sued the developer and its general contractor (GC). The plaintiff asserted claims for “strict liability under (NYC) Building Code (Code) §BC 3309.4, negligence, trespass (for soil removal), and private nuisance, and against the developer only for breach of contract and garden variety trespass.” The plaintiff’s allegations arose from the “excavation/foundation work on the project, particularly the pile driving, led to ground water permeating the construction site.” The water was thereafter “removed by a process known as ‘dewatering,’ which, according to plaintiff, undermined its building, causing it to settle and lean into the project site.” The plaintiff alleged that the NYC Dept. of Buildings (DOB) stopped work on the project from approximately April 2023 to October 2023. The complaint alleged that work was resumed in November 2023, “but it caused more water to permeate through the project site and further damaged plaintiff’s building.”

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SCOTT E. MOLLEN is a partner at Herrick, Feinstein.

Maynard Nexsen to Expand Atlanta Footprint Fivefold As Firm Prioritizes Full-Service Growth

BY THOMAS SPIGOLON

MAYNARD Nexsen’s priority on growing in a relatively “new market” in Atlanta is prompting the firm to lease five times its current office space by early 2027, the firm leader said. The firm has leased a full floor in its Midtown Atlanta building to support the rapid headcount growth the firm has seen in a year’s time—as well as future growth it is planning in a city Maynard Nexsen has set its sights on for strategic growth, said CEO and managing shareholder Jeff Grantham. It is the latest development in the Am Law Second Hundred firm’s rapid expansion in Atlanta that includes more than doubling headcount in one year as it grew from a real estate-focused office into a full-service firm with six practice groups following its combination with real estate boutique Miller Lavoie in mid-2025, firm leaders said. The new lease increases the office’s total footprint to 24,279 square feet, representing a 359% increase from the 5,288 square feet the office moved into one year ago in Miller Lavoie’s for-

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Greenberg Traurig Signs 10-Year Lease With Related Ross for West Palm Beach Relocation After 4 Decades

BY VIVIENNE SERRET

AFTER 40 years, Greenberg Traurig is relocating its West Palm Beach office to 15 CityPlace, the under-construction Class AA lifestyle office tower designed in the heart of downtown West Palm Beach. Office leadership said it anticipates an opening and full relocation to take place by fall 2027. Related Ross holds more than \$10 billion planned in investment across Palm Beach County, and was founded in 2024 by billionaire Stephen M. Ross, serving prominently as West Palm Beach’s largest developer and Class A landlord. The firm, which signed a 10-year lease, said the new office will provide a modern workplace designed to support collaboration, client service and future growth within the city’s expanding business district for over 80 attorneys and professional staff. “If you look at where Greenberg Traurig is, we’ve been in Texas for over 20 years, we

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HOSPITALITY LAW

Soap, Water, and Elbow Grease: Taking Stock of the Hospitality Industry

BY TODD E. SOLOWAY,
BRYAN T. MOHLER
AND ITAI Y. RAZ

For the past 15 years, we have written quarterly articles for the Law Journal with a heavy focus on the hospitality industry and the gamut of legal and practical issues faced by the various stakeholders, most notably brands, owners, third-party managers and the variety of industry financiers from institutional lenders to private equity to private financing. Through our deep involvement in the hospitality industry, we have been at the center of and have witnessed the arc of change that only occurs over decades. Those fundamental shifts—whether attributable to the natural evolution of the business, such as the increasing move towards “asset-light” management and operations; industry consolidation including once-in-a-generation deals like the merger between Starwood and Marriott; the societal impacts of the COVID-19 pandemic; or the winds of political change—all contribute, over time, to the transformation of the industry and its practices. These changes have also led to a variety of legal and factual issues as the industry, at times, evolves out of coordination with the realities on the ground. With a view to history and the future of the industry, over the course of the next year we will be

TODD E. SOLOWAY leads the hotel and hospitality group at Pryor Cashman and co-heads the firm’s litigation group. BRYAN T. MOHLER is a partner in the firm’s hotel and hospitality and litigation groups. ITAI Y. RAZ is counsel in the firm’s hotel and hospitality and litigation groups.

offering a series of articles focused on emerging issues that warrant attention to ensure the industry continues to thrive and promotes the common interests. We begin by exploring the ever-increasing prevalence of the asset light model, the reasoning behind it, and the current imbalances and strife resulting from it.

The Asset-Light Evolution

The hotel industry began as a soup-to-nuts business, with brands owning and operating the hotels identified with their brands. Capturing the essence of the original hospitality business model, Conrad Hilton, the legendary founder and namesake of Hilton Hotels, once famously said, “Soap, water and elbow grease, those are the three ingredients for success in the hotel business.” While this model ensured the brand was invested in the hotel’s success, it exposed hoteliers to substantial financial risks by simultaneously owning real estate and a hotel business, including construction overruns, operational costs, labor costs and disputes, property taxes, debt service, and economic downturns. As the hotel industry grew, industry stakeholders began to separate brand ownership and control from ownership of the hotel real estate. This evolution was spurred on by the private equity and investment banking worlds’ recognition that separating brands from the real estate is a valuable tool for value creation. One of the effects of this separation was to create a new and complicated dynamic: with the brands attempting to shift property-level balance sheet risk to independent hotel owners, they needed to institute ways to retain influence over the customer experience to ensure that

the brand preserved its associated goodwill and reputation. This gave rise to innovations such as ‘brand standards’ an owner is obligated to maintain, required periodic renovation requirements, and the imposition of new fees to fund new brand initiatives. Beginning in the 1990s and accelerating through the 2000s, the industry embraced “asset-light” strategies. The objective for the brand was to de-risk by transferring the real estate, labor, capital expenditures, and operating volatility to independent owners while earning fees for providing the brand, booking channels, and loyalty programs for the owner to use. For hotel owners, this shift presented a significant opportunity to participate in a growing industry and gain access to a valuable brand. Marriott led the way. In October 1993, it split into two companies:

In 2016, Hilton spun off its remaining real estate into a REIT, and its timeshare businesses into a separate publicly traded company. By 2025, Hilton owned fewer than 50 of approximately 9,200 branded properties. In its 2009 Annual Report, Hyatt acknowledged that it is “exposed to risks resulting from significant investments in owned and leased real estate,” leading Hyatt to pursue an “asset recycling” strategy targeting \$1.5 billion in property sales in 2017. Its 2025 purchase of Playa Hotels & Resorts illustrated the model: Hyatt purchased the brand, promptly sold Playa’s real estate assets while retaining Playa’s management contracts. Countless other examples exist. This strategy was intended to allow brands to reduce capital costs and operating exposure while retaining contractual control over

Through our deep involvement in the hospitality industry, we have been at the center of and have witnessed the arc of change that only occurs over decades.

retaining Marriott International as a franchising and management company while spinning off its real estate assets into what is now Host Hotels & Resorts, the world’s largest publicly traded hospitality REIT. By December 2025, Marriott owned or leased less than one percent of approximately 9,805 branded properties worldwide, including only 14 hotels in the United States and Canada. Other major brands followed suit. In 2002, IHG owned or leased nearly 200 hotels. By 2015, IHG sold its last owned major hotel asset, culminating in real estate sales totaling almost \$8 billion. Hilton’s 2007 acquisition by Blackstone accelerated its asset-light transformation.

hotels they do not own, employ, or fund. In turn, it allowed hotel owners to access brands with a global reach—including brand reservations systems, loyalty programs, and marketing efforts—enabling them to capture more of the market. These relationships are documented in management agreements or franchise/license agreements. **Management Agreements: Shifting Costs, Retaining Control** Under a typical hotel management agreement, the brand operates the hotel for the owner. The owner funds development, working

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COURTESY PHOTO

Baker Donelson signed a 10-year lease for its new office space near the Garden State Parkway and Metropark Amtrak station in Iselin, N.J.

Baker Donelson Plants Flag in North Jersey With 10-Year Lease for Healthcare-Focused Office

BY THOMAS SPIGOLON

BAKER Donelson Bearman Caldwell & Berkowitz has moved the last of its two healthcare-focused offices in New Jersey into permanent space a year and a half after entering the Northeast for the first time. The Tennessee-founded firm—which launched its New Jersey offices in two locations in April 2025—signed a 10-year lease for the 11,200-square-foot space in the MetroTop Plaza II building in the Metropark area in Iselin, New Jersey, south and west of New York City. Office managing shareholder Anjana Patel said Baker Donelson’s new space gives the firm enough room to accommodate both its 11 healthcare attorneys and nine legal professionals while providing space for the firm to grow its headcount and create a full-service office. Patel, who also leads the firm’s Princeton, New Jersey, office, said the new Class A space will be used to “solidify Baker Donelson’s presence in New Jersey.” “Our space is a completely new buildout designed with a focus on creating a modern workplace that maximizes collaboration,” Patel said. MetroTop Plaza II is about a half-mile south of the Metropark Amtrak station that more than 360,000 use annually to access train service into New York City and along the East Coast, according to information from Amtrak. The office building is adjacent to the Garden State Parkway on Wood Avenue South in Iselin—which is due west of Staten Island. Patel said the firm moved into its new office in early August after operating for more than a year in a temporary space near Menlo Park. The former accounting office was about the same size as its new office but featured a “bullpen”-styled area that made it “not useful for a law firm.” The Am Law Second Hundred firm’s new fifth-floor space began as a shell and was designed and built according to Baker Donelson’s

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