Press Release

WASHINGTON LEGAL FOUNDATION
Keeping Free Enterprise Free

FOR IMMEDIATE RELEASE July 28, 2026

Media Contact: Glenn Lammi | glammi@wlf.org | 202-588-0302

WLF Urges Supreme Court to Reverse Ninth Circuit's Lax Securities Class-Certification Standard

(*Zillow Group, Inc. v. Jaeger*)

"The Ninth Circuit's decision invites costly, meritless securities class actions that harm American businesses."

— Cory Andrews, WLF General Counsel & Vice President of Litigation

WASHINGTON, DC—Yesterday Washington Legal Foundation (WLF) joined a coalition of amici urging the Supreme Court to grant certiorari and reverse a controversial Ninth Circuit securities decision. The amicus brief contends that the decision below improperly allows class certification based on supposed "corrective" disclosures that share only a general subject with—but do not actually correct—prior alleged misrepresentations. WLF joined the U.S. Chamber of Commerce, the Securities Industry and Financial Markets Association, and Business Roundtable on the amicus brief.

The case stems from a securities class action alleging that Zillow maintained artificial stock-price inflation through statements about progress on its home-pricing models. Plaintiffs pointed to Zillow's later decision to close its home-buying business as a "corrective disclosure." The district court certified the class, and the Ninth Circuit affirmed, holding that mere overlap on Zillow's home-pricing struggles sufficed.

In its amicus brief, WLF argues that the Ninth Circuit's rule conflicts with *Halliburton* and *Goldman*, which both demand an actual content match before a back-end price drop can prove front-end impact, and splits with the Second Circuit. Because it functionally strips defendants of their right to rebut the *Basic* presumption, the decision will make the Ninth Circuit a magnet for inflation-maintenance suits.

Celebrating its 49th year, WLF is America's premier public-interest law firm and policy center advocating for free-market principles, limited government, individual liberty, and the rule of law.

###