No. 25-1365

IN THE

Supreme Court of the United States

ZILLOW GROUP, INC., *et al.*,

Petitioners,

v.

JEREMY JAEGER, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS SIMILARLY SITUATED,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED

Securities fraud defendants can defeat class certification by proving that their alleged misstatements had no "price impact" on the stock's market price. *Basic, Inc. v. Levinson*, 485 U.S. 224, 246-47 (1988). To carry that burden, the defendants must prove by a preponderance of the evidence that the events that allegedly disclosed the securities fraud *did not* reveal any new, stock-price-affecting information that rendered false, and thus "actually corrected," the substance of their earlier false or misleading misstatements. *Goldman Sachs Grp., Inc. v. Arkansas Tchr. Ret. Sys.*, 594 U.S. 113, 119, 123 (2021). This is a fact-bound inquiry in which the vast consensus of courts, including the Second and Ninth Circuits, agree that a back-end disclosure need not expressly reference or precisely match an alleged misstatement to correct it. *See, e.g.*, *Arkansas Tchr. Ret. Sys. v. Goldman Sachs Grp., Inc.*, 77 F.4th 74, 97-99 (2d Cir. 2023) ("*ATRS*"); App. 4a. Rather, to correct, the disclosure need only reveal new facts that render some aspect of the misstatement false or misleading.

The question presented is whether the Ninth Circuit's unanimous, unpublished, interlocutory disposition misapplied this consensus standard—which it expressly adopted—to the specific statements and 1,000-plus-page evidentiary record in this case. It did not.

PARTIES TO THE PROCEEDING

The Petitioners are Zillow Group, Inc. and three of its executives from the time of the alleged fraud: Richard Barton, Allen Parker, and Jeremy Wacksman. Zillow's stock trades on the Nasdaq Global Select Market under the Z (for Class A shares) and ZG (for Class C shares) ticker symbols. This brief collectively refers to Petitioners as "Zillow."

The Respondent, Jeremy Jaeger, is the lead plaintiff and class representative for similarly situated Zillow investors.

TABLE OF CONTENTS

Table of Contents

TABLE OF CITED AUTHORITIES

Page

Cases

INTRODUCTION

The petition should be denied for a simple reason: it does not present the question actually decided below. Zillow's arguments for a circuit split, for certworthy importance, and for reversal on the merits all rest on a single, demonstrably false premise—that the Ninth Circuit reduced price impact to a categorical "general subject matter" match. Pet. i, 23, 24.[1] The court did no such thing.

On August 5, 2021, Zillow told investors that after years of struggling to get its pricing models right, it had doubled its home acquisitions in a single fiscal quarter because it had improved the strength and accuracy of its algorithmic pricing models. App. 4a. Three months later, Zillow announced it was shutting its homebuying doors and writing down over $568 million in inventory because the cornerstone of this business—the very models it had just given assurances about— could not "accurately forecast future home prices." *Id.* Applying the consensus approach used by courts nationwide, the Ninth Circuit found that the contradiction between Zillow's statements, the accompanying stock price drops, and the broader evidentiary record together supported the inference that Zillow had kept its stock price afloat by suggesting it had improved its models enough to justify the extreme acquisitions surge. *Id.*

1. All "Pet. __" references are to the Petition for a Writ of Certiorari; all "App. __" references are to the Appendix attached thereto.

Nothing about the Ninth Circuit's unanimous, unpublished, fact-bound disposition was remarkable, let alone certworthy. Consistent with *Goldman*, 594 U.S. at 123, and *Basic*, 485 U.S. at 248, the panel considered whether Zillow had proven by a preponderance of the evidence that the back-end events which allegedly disclosed the truth revealed no new, value-relevant, or corrective information. In applying this standard, the panel embraced the consensus view that matching evidence—*i.e.*, whether there is a disconnect between a back-end disclosure and a front-end misstatement—is just one type of price impact evidence that can vary across a broad spectrum. *See, e.g.*, *ATRS*, 77 F.4th at 97-99. Moreover, the panel expressly accepted the Second Circuit's view that courts "may demand a closer fit" for price impact matches than what would normally be required for other securities-law elements. *Compare* App. 3a *with ATRS*, 77 F.4th at 98 n.11.

Zillow does not challenge any of the consensus principles that the Ninth Circuit said it was adopting. Instead, Zillow seeks certiorari review under a new, stricter rule designed to give it an edge in its third bite at the class certification apple. Pet. 16. This new rule would require that a corrective disclosure be a near-perfect mirror of an alleged misstatement or "expressly and specifically negate" the earlier statement before price impact can be inferred. *Id.* 3. In Zillow's view, any lesser standard cannot support price impact, regardless of what the market commentary or other evidence in a case establishes.

No court has adopted Zillow's proposed rule. Even courts within the Second Circuit—the circuit upon which Zillow builds its split argument—have squarely rejected it. *See, e.g.*, *Sjunde AP-Fonden v. Goldman Sachs Grp., Inc.*, 798 F. Supp. 3d 416, 446-47 (S.D.N.Y. 2025), *leave to appeal denied*, 2025 WL 3731055 (2d Cir. Dec. 23, 2025). The reasoning is intuitive: Fraud is rarely revealed through clear and complete corporate admissions. *See Alaska Elec. Pension Fund v. Flowserve Corp.*, 572 F.3d 221, 230 (5th Cir. 2009). The overlap between back-end events revealing fraud and a defendant's prior misstatements can vary along a broad spectrum, under which even weak matches can demonstrate price impact when corroborated by other market evidence. *See, e.g.*, *ATRS*, 77 F.4th at 98. Zillow's proposed rule ignores this reality. Worse, it would functionally immunize most half-truths and misleading partial omissions—the very conduct securities law is designed to prevent.

This is one of many flaws in Zillow's demand for interlocutory intervention. Separately, the question on which Zillow seeks review—whether a defendant can rebut *Basic* by showing that back-end disclosures did not "actually correct" its misstatements—is not genuinely presented by this record. No one disputes that defendants may rebut price impact by attacking the corrective link between front-end misstatements and back-end disclosures. That was precisely the inquiry conducted—and resolved against Zillow—by the courts below. Although Zillow insists the Ninth Circuit relied on a "general subject matter" match, Pet. i, that phrase appears nowhere in any ruling in this case. At both oral argument and in its disposition, the panel rejected this characterization of its approach. App. 2a.

Zillow similarly claims a circuit split arising from subject-matter standards that no court has adopted. The

Ninth Circuit required Zillow to show that its back-end admissions did not reveal new, value-relevant information that directly or constructively corrected the substance of its allegedly false misstatements—the same standard applied by virtually every court that has recently evaluated price impact, including the Second and Third Circuits. The Ninth Circuit's application of that uniform test was fact-bound and correct on this record. Its nonprecedential conclusion has sparked no confusion among the district courts, which have compared this case's strong facts to the weaker records before them and reached appropriately different results. Mere disagreement with how a court applies a properly stated rule does not make a petition certworthy.

Finally, this case presents no urgent or important issue warranting certiorari. As multiple circuits have recognized, there are no significant legal distinctions between price inflation and price maintenance. *E.g.*, *In re Vivendi, S.A. Sec. Litig.*, 838 F.3d 223, 259 (2d Cir. 2016). Price maintenance simply describes the common economic reality where a defendant's false statement prevents or dampens a stock price decline instead of inflating prices.

Under the status quo, securities defendants already have ample, meaningful opportunities to rebut price impact, succeeding—in whole or in part—in nearly half of cases where defendants have argued mismatch, including in two of the three cases citing the rulings below. The different result here turned on the facts of this case, not some new legal standard. The scarce and discretionary nature of interlocutory review does not transform the Ninth Circuit's otherwise unremarkable disposition into a certworthy legal conflict—particularly when Zillow remains free to re-raise its price impact challenges at summary judgment, decertification, and trial.

Even if scarcity of review could justify certiorari, the petition comes to the Court on an incomplete record that contains no price impact analysis of the prevaricating misstatements Zillow made in October 2021 (which were added to this lawsuit after class-certification briefing had begun). Prudence counsels for allowing the district court to address these vehicle problems in the first instance and letting the broader question of how to evaluate matching evidence percolate until a true conflict emerges.

Because Zillow's arguments about a circuit split, the merits, and certworthy importance all rest on a standard that the courts below never adopted—and because those arguments fail on their own terms—the petition for a writ of certiorari and summary reversal should be denied.

STATEMENT

I. Legal background

1. For nearly forty years, this Court has permitted securities fraud plaintiffs to invoke a rebuttable presumption that investors rely on any misrepresentations reflected in the market price of a stock at the time of their transactions. *See Basic*, 485 U.S. at 242-44. This presumption derives from universally accepted economic principles about how modern markets work. In an efficient market, stock prices quickly reflect the value of any public information, including any material misrepresentations. *Id.* Accordingly, defendants seeking to defeat the presumption must rebut the prerequisite elements (e.g., show the market was not efficient) or show that the misrepresentations did not impact the market price.

2. Under modern economic theory, misstatements can impact stock prices in many ways. Corporate insiders seeking to boost a company's standing, for example, might publish misleading information in the hope of increasing market value. In such cases, price impact can typically (though not always) be observed by documenting how the stock price reacted when the misstatements were made. This front-end test has little use, however, in more common scenarios where a misstatement conceals or understates material information. In these "inflation-maintenance" scenarios, the alleged misstatement acts to prevent or dampen a stock price decline. Accordingly, but-for price impact must be assessed by examining how the market reacted when a later event corrected the information obscured by the defendant's misstatements.

There is nothing special or unique about analyzing price impact through this type of backward-looking lens. *See, e.g.*, *Vivendi*, 838 F.3d at 259; *Glickenhaus & Co. v. Household Int'l, Inc.*, 787 F.3d 408, 418 (7th Cir. 2015); *FindWhat Inv. Grp. v. FindWhat.com*, 658 F.3d 1282, 1316 (11th Cir. 2011) ("There is no reason to draw any legal distinction between fraudulent statements that wrongfully prolong the presence of inflation in a stock price and fraudulent statements that initially introduce that inflation."). In the normal course of a securities case, litigants offer similar back-end pricing evidence to calculate investor damages. *See Dura Pharms., Inc. v. Broudo*, 544 U.S. 336, 346 (2005). This same evidence is also used in assessing the element of loss causation—whether the alleged misstatements, rather than other market factors, proximately caused the plaintiff's financial losses. *See, e.g.*, *In re BofI Holding, Inc. Sec. Litig.*, 977 F.3d 781, 790 (9th Cir. 2020) (mapping the ground rules for what qualifies as a corrective disclosure). Accordingly, courts have long been in the business of assessing whether the relationship between an alleged corrective event and an earlier misstatement is direct enough or far too attenuated. *See, e.g.*, *Mineworkers' Pension Scheme v. First Solar Inc.*, 881 F.3d 750, 754 (9th Cir. 2018); *Vivendi*, 838 F.3d at 261.

Goldman did not disrupt these long-standing principles. It simply clarified how courts should treat relevant evidence in two ways: (1) at class certification, courts must consider all evidence probative of price impact, even if it overlaps with merits issues; and (2) mismatch evidence is one piece of "important evidence" to be weighed alongside all other price impact evidence. *Goldman*, 594 U.S. at 113. Nothing more.

II. Factual background

1. Zillow runs one of the largest online real-estate companies in the United States. App. 8a. It is best known for creating the Zestimate—a proprietary algorithm that calculates an estimated market value of homes displayed on Zillow's website. *Id.* 9a.

In 2018, Zillow sought to leverage its home-pricing expertise by launching a now-defunct, home-purchasing business called Zillow Offers. *Id.* 8a. This business leaned on Zillow's algorithmic pricing models to make cash offers to homeowners to entice them to sell their homes. *Id.*

The models' ability to accurately evaluate present home values and predict near-term market appreciation (*i.e.*, how much a home's price might increase before Zillow resold it) was mission critical, especially in the competitive real-estate environment of 2021. If Zillow's offers were too low, it would lose out to more accurate offers from competing tech companies or traditional real-estate sales. On the other hand, if Zillow over-inflated its offers, it risked losing tens of thousands of dollars per home, compounded at scale, across a fiscal year or quarter.

Despite its significant pricing experience, Zillow's algorithmic offers kept losing out to its competitors' offers prior to the Class Period. *Id.* 9a. In May 2021, the company publicly acknowledged that it needed to improve the accuracy of its pricing algorithm in order to scale and compete. Securities analysts took note, hoping Zillow would quickly resolve its pricing struggles while proving its unit economics. 4-ER-737.[2] Meanwhile, the company's monthly average stock price declined.

2. On August 5, 2021—the start of the Class Period—Zillow told investors that it had overcome its pricing problems. In just three months, Zillow had suddenly doubled the number of homes acquired compared to the prior quarter. 3-ER-325-26. Zillow's CFO told investors that "progress … in strengthening [Zillow's] pricing models" had "sharpened our offer strength" and "drove" the rapid acquisitions gains. 3-ER-326-27. Zillow similarly claimed that "the record number of homes purchased"

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2. Herein, #-ER-### refers to the Excerpts of Record & SER-### refers to the Supplemental Excerpts of Record submitted in the 9th Circuit, Case No. 24-6605.

was "a direct reflection of … the progress we have made in strengthening our pricing models." SER-13.

Analysts hearing these statements, in turn, expressly highlighted Zillow's purported success in improving its algorithmic models and specifically attributed the acquisitions surge to those purported improvements. *E.g.*, 2-ER-65-68 (collecting analyst reactions and noting, for example, that the model "updates seem to be working"). In their view, "the speed of inventory turns … suggest[ed]" Zillow had a firm handle on purchasing "and an effective algorithm in a situation where [the] ibuyer was not supposed to succeed." 2-ER-65.

The market did not know that Zillow's statements had obscured the real reason as to *how* the business had scaled up so fast—Zillow's managers had overridden the pricing model. Specifically, in March 2021, Zillow launched a secret initiative called Project Ketchup, through which Zillow added system-wide subsidies ("overlays") as high as 7% *on top of* the market-value price generated by Zillow's algorithm. App. 9a. These overlays pushed Zillow to make offers well above what the market would pay on resale. *Id.* The overlays, not improved pricing models, helped Zillow "catch up" to its competitors by overpaying for homes; but they also created a fundamental problem: by scaling up acquisitions before fixing the pricing algorithm, Zillow quickly acquired a mounting inventory of homes that could not profitably be resold.

3. Three cascading back-end disclosures revealed the truth that Zillow's earlier statements concealed.

First, on October 18, 2021, Zillow confirmed rumors that it had stopped buying homes by stating in a press release that it had "paused" acquisitions. Zillow blamed the purported pause on its previously undisclosed mounting renovations backlog, which it claimed was caused by external, macroeconomic factors. App. 10a. In doing so, Zillow partially revealed the natural consequence of its reliance on secret overlays and renovations cuts instead of an effective algorithm: Zillow had acquired too many homes too quickly by paying above-market prices while simultaneously crippling its ability to resell homes. *Id.* 10a-11a, 22a. The estimated financial write-off from these Zillow-specific errors was so large that Zillow was already planning to shut down the entire home-buying business.[3] *Id.* 11a.

Zillow's stock price dropped. Zillow's competitors declared that their doors remained open for business. 2-ER-76-77. Lacking complete information, analysts still connected the announced pause to potential problems with Zillow's pricing algorithm. 2-ER-78-80.

Two weeks later, on October 31 and November 1, 2021, financial outlets published new, comprehensive analyses showing that Zillow was trying to offload two-thirds of its housing inventory at prices below what it had paid. App. 10a-11a, 23a. Unlike earlier commentary, which suggested that Zillow had missed its pricing targets for discrete subsets of homes in isolated markets, these analyses suggested pricing errors at a nationwide, fundamental level and confirmed that Zillow was taking emergency measures to address the problem.

3. After moving for class certification, Jaeger filed an amended pleading alleging that the "pause" statements were misleading because Zillow was already planning to shut down Offers. These statements are not before the Court in this posture. App. 7a n.1.

Analysts discussed the revelations in these specific reports for weeks. App. 24a. Zillow's stock again dropped by a statistically significant amount on a day with no other news. *Id.*

Finally, on November 2, 2021, Zillow announced that it had overpaid for nearly 18,000 homes, would need to write down over $568 million in losses, and would shut down Offers. *Id.* 11a. In doing so, Zillow's CEO admitted, among other things, that:

- Despite "need[ing] to forecast the price of homes accurately 3 to 6 months into the future," Zillow had been "unable to accurately forecast future home prices" over the past year, App. 11a; 3-ER-354; and

- The "observed error rate" of Zillow's pricing was up to 7% in some instances (approximately the same percentage applied by its manual overlays), App. 11a, 25a; 3-ER-354.

When investors asked, "what went wrong here," the CEO answered that "fundamentally, we have been unable to predict future pricing of homes to a level of accuracy that makes this a safe business to be in." 3-ER-354. He added that the shutdown decision "boil[ed] down to" Zillow's "inability to have confidence in pricing in the future, enough confidence to put our own capital at risk," App. 24a; 3-ER-359—a sentiment that Zillow's executives had expressed privately throughout the year.

Analysts were shocked, with several expressly noting the contradiction between the shutdown announcement and the outlook Zillow had provided in August. 2-ER-110-

12. In response to this information, Zillow's stock dropped approximately 23.5%. 2-ER-262.

III. Procedural background

1. The respondent, Jeremy Jaeger, is a construction business owner, real estate developer, and former investor in Zillow. In 2022, he was appointed lead plaintiff and filed a detailed complaint supported by information provided by former Zillow employees. In 2024, he moved to certify the putative investor class. Zillow did not dispute market efficiency; its opposition focused primarily on price impact.

On August 23, 2024, after full briefing and review of more than 1,000 pages of expert and analyst commentary, the district court granted class certification because Zillow had "failed to show by a preponderance of the evidence that the alleged misrepresentations and subsequent corrective disclosures had no impact on Zillow's stock price." App. 25a. Zillow asserts that the district court made this finding without evaluating the link between its misstatements and the corrective disclosures. Pet. 14. The district court's opinion proves otherwise.

The district court found that each back-end disclosure revealed new, value-relevant information that either "contradict[ed]" or sufficiently "render[ed]" false some aspect of Zillow's prior statements. App. 21a-25a. In some cases, these contradictions were direct. At other times, the disclosures rendered statements false by revealing the consequences of the information Zillow concealed—including that Zillow had overpaid for homes by nearly the same percentages added by its management-driven overlays. *Id.* 25a. After finding that the disclosures matched enough with the misstatements' contents to suggest some price impact, Zillow's arguments about whether non-fraud-related factors caused ***part*** of the stock drops became a pure question of loss-causation,[4] App. 22a—an element which may not be addressed at class certification, *Erica P. John Fund, Inc. v. Halliburton Co.*, 563 U.S. 804, 812 (2011). Zillow thus failed to rebut *Basic*.

2. Zillow sought interlocutory review under Federal Rule of Civil Procedure 23(f) on the same premise they press here. Zillow claimed that the district court ignored evidence, rejected *Goldman*, and granted class certification based on a general subject-matter match between their front-end misstatements and back-end disclosures.

On September 26, 2025, a three-judge panel unanimously affirmed class-certification in a five-page memorandum disposition. App. 5a. The panel found that the district court properly applied *Goldman*'s price-impact standard and did not err by consulting how courts have gauged correctiveness in other securities-law contexts to assess correctiveness under price impact. App. 1a–3a.

In doing so, the panel explicitly adopted guidance from the Second Court's decision in *ATRS*, explaining

4. Zillow suggests it provided evidence showing that "most or all of the back-end stock drop was due to the closure of a major business line." Pet. 14. The record reflects no such proffer. And even if it did, the evidence would not have carried the day, as "merely suggesting that another factor also contributed to an impact on a security's price does not establish that the fraudulent conduct complained of did not also impact the price of the security." *Waggoner v. Barclays, PLC*, 875 F.3d 79, 105 (2d Cir. 2017).

that courts applying *Goldman* "may demand a closer fit in generality and substance" between front-end and back-end statements when assessing price impact than when assessing loss causation. App. 2a. Nevertheless, in the panel's view, a closer fit did not mean that a disclosure needed to precisely mirror the earlier misrepresentation. App. 3a. The panel explained that, under longstanding securities law principles, a back-end disclosure can be corrective, even if it "does not refer directly to" the misstatement, if it reveals "true facts concealed" by the misstatement. *Id.*

The panel then turned to the statements at hand. It noted that, under *Goldman*, courts must consider "*all* evidence … includ[ing] circumstantial evidence," to assess correctiveness. *Id.* (emphasis in original). In accordance with that mandate, the panel found, based on the extensive evidence provided, that Zillow's misstatements and disclosures "matched enough" in generality and substance to infer price impact under *Goldman*. App. 4a-5a. The panel further rejected Zillow's theoretical arguments that some disclosures lacked new information, again based on actual market commentary to the contrary.

3. Zillow then petitioned for rehearing *en banc*, repeating the arguments it now asserts here. The three-judge panel disagreed and unanimously denied rehearing on January 6, 2026. App. 28a. None of the other 26 circuit judges requested a vote. *Id.*

Trial is currently set to begin in September 2027.

REASONS FOR DENYING THE PETITION

The petition should be denied because it is built on false premises. Contrary to Zillow's assertions, the Ninth Circuit has never adopted a categorical rule that a mere subject matter match between a back-end disclosure and front-end misstatement suffices to infer price impact. Nor does this case present such a question. Here, Zillow's misstatements misled investors about the extent to which the company had improved the accuracy of its algorithmic pricing models. Its back-end admissions three months later revealed that the same pricing models it had just given rosy assurances about had never been able to accurately predict future home prices and, in fact, were so inaccurate that Zillow needed to shut down its entire homebuying business. Zillow's admissions directly corrected the information that Zillow's prior misstatements obscured. That alone sinks the petition.

I. Zillow seeks review on a question that is not presented by the standards applied below.

Zillow seeks review on one question: can a defendant "rebut the inflation-maintenance theory by showing that back-end disclosures didn't actually correct its alleged misstatements." Pet. i. But there is no dispute—not among the parties, and not among the courts—that a defendant like Zillow can in fact rebut price impact by attacking the corrective link between front-end misstatements and back-end disclosures.

Zillow has already had two meaningful opportunities to meet its burden of proof on that issue and has failed twice on this case-specific record. In the proceedings below, both the Ninth Circuit and district court considered, but rejected, multiple price-impact arguments challenging whether each alleged back-end disclosure actually corrected Zillow's misstatements. The courts found that each alleged corrective disclosure revealed new, value-relevant information showing how Zillow's prior misstatements obscured the effectiveness of its models and the true extent of its home-pricing struggles. App. 3a, 21a-25a. In their view, the disclosures did not merely touch upon the general subject of pricing, they directly "render[ed]" false the impression created by Zillow's statements: it was rapidly scaling its business because its previously struggling models were now sufficiently robust. App. 4a. What's more, Zillow's back-end admissions were close enough in fit to provide evidence of "how the market would have reacted" had Zillow disclosed at the start how it had been unable to fix its pricing models enough, and how its acquisition surge instead resulted from perfunctory, manual overrides to the models that were mission critical to the business's success. *Id.* 3a.

Zillow's competing account of the facts failed to persuade otherwise. Its matching arguments could not be reconciled with how analysts linked the disclosures to concerns about Zillow's purportedly improved pricing algorithm and the otherwise rosy picture painted by its August misstatements. *Id.* 4a-5a. And its assertion that its disclosures revealed nothing new about the models were belied by the market commentary at the time. *Id.* The panel thus found that Zillow's back- and front-end statements "matched enough under *Goldman*" to conclude that the former actually corrected the latter. *Id.*

2. It is true that, in reaching this conclusion, both the panel and the district court drew on loss causation

cases for guidance on how to assess the relationship between back- and front-end statements. Pet. 14. But it does not follow that, in doing so, these courts applied a "same subject matter" standard, as Zillow suggests *ad nauseum*. *See, e.g.*, *id.* 8.

This is plain from the face of the disposition. The court explained that both price impact and loss causation "require courts to consider substantially similar questions" on whether a back-end disclosure is actually corrective. App. 2a. But it also made clear that the two standards are not the same. *Id.* In the Ninth Circuit's own words, courts comparing front- and back-end statements for price impact "may demand a closer fit in the level of generality and substance" than when performing a similar exercise for loss causation. *Id.* This is the same distinction the Second Circuit drew in *ATRS*, 77 F.4th at 99 n.11—the case that serves as the crux of nearly all of Zillow's inflation-maintenance arguments.

With this distinction in mind, Zillow cannot credibly claim it was certworthy error for the lower courts to draw on their loss causation experience for guidance when assessing price impact. This Court itself endorsed reviewing case law from other securities law elements to the extent it is relevant to price impact. *Goldman*, 594 U.S. at 124 (focusing on materiality). And even the Second Circuit's decision in *ATRS* rests heavily on loss causation cases. *E.g.*, *ATRS*, 77 F.4th at 98-99 (discussing *Vivendi*); *see also id.* at 101 (also reviewing materiality cases for context).

Zillow understandably disagrees with the result the Ninth Circuit reached when it faithfully applied

Goldman's price-impact standard to this record and still ruled against Zillow. But this Court "rarely grant[s]" petitions for review when the "asserted error consists of erroneous factual findings or the misapplication of a properly stated rule[] of law." S. Ct. R. 10. That principle applies with particular force where, as here, the petition claims the lower court applied a rule (*i.e.*, a subject-matter match rule), which it expressly disclaimed.

II. There is no circuit split.

The Ninth Circuit's actual ruling—holding that there was a sufficiently close overlap between the facts revealed by Zillow's back-end statements and the substance of Zillow's prior misstatements—creates no circuit split. Zillow disagrees, contending that the panel looked for only the slightest tension between back-end disclosures and front-end misstatements, instead of an express or near-mirror-image negation. Pet. 15. That is a false dichotomy that finds no basis in the lower courts' application or reasoning. No court has adopted Zillow's characterization of the Ninth Circuit's price impact test. Nor has any court adopted the rigid categorical requirement that anything less than a near-mirror match is case-dispositive. Rather, the courts uniformly agree on the consensus approach that the Ninth Circuit applied here.

A. The Second Circuit rejects the near-perfect matching requirement that Zillow demands.

1. Zillow's circuit-split argument rests on an extreme reading of the Second Circuit's decision in *ATRS*, a case focused on false statements nothing like those at play here.

Buried inside its annual SEC filings, the defendant, Goldman Sachs, included general, sweeping descriptions about its process for managing conflicts of interests. These descriptions were so hidden and generic that the district court concluded they were not "consciously relied upon, in the moment, by investors." *ATRS*, 77 F.4th at 100. No analysts so much as mentioned them. Yet, the district court still found that the statements had a price impact.

On appeal, it was critical for the Second Circuit that there be "some indication" in the record that Goldman's "comfortably" generic conflicts-management statements were even capable of "propping up the [stock] price." *Id.* Otherwise, how could there be price impact?

In searching for that evidence, the Second Circuit rejected the rule that Zillow proposes here—that a back-end disclosure *must* "expressly and specifically negate" or "directly render" false the prior misstatement for price impact to follow. Pet. 18. As the Second Circuit noted, express negation certainly makes "an easy inflation-maintenance case." *ATRS*, 77 F.4th at 98. But matches satisfying *Goldman*'s "actual correction" standard occur along a much broader spectrum that does not require a "precise match." *Id.* Rather, the court explained that "[i]t may frequently be the case that what is *corrective* about a 'corrective disclosure' is situated among details which, in the aggregate, make for a somewhat more specific back-end disclosure." *Id.* (emphasis in original).

2. Instead of resting on a dispositive, binary assessment of "match" or "no match," as Zillow insists, *see* Pet. 25, the Second Circuit instructed lower courts to conduct a "searching price impact analysis" of all indirect

evidence of price impact in cases where matches are weak. *ATRS*, 77 F.4th at 102-03. Unlike the record here, *ATRS*'s record contained no such evidence. *See id.* at 102 n.14 (describing types of evidence to be considered when a disclosure did not specifically reference or negate earlier misstatements). Nothing in the back-end disclosures, the market commentary at the time of the misstatements, or the market commentary after the truth was revealed suggested that the generic conflict statements themselves were ever important to the market's assessment of Goldman's conflicts-management procedures. *Id.* at 104-05. Lacking any indication that the conflicts statements could have a price impact, the Second Circuit decertified the class.

3. In the three years since, no Second Circuit district court has adopted Zillow's myopic construction of *ATRS*—*i.e.*, that matching analyses are dispositive inquiries in which only strong to near-perfect matches deserve class treatment. Rather, they affirm the same consensus principles used by the Ninth Circuit here and courts nationwide: (1) statements and disclosures must be construed in context; (2) disclosures need not reveal falsity in full, and (3) matches occur along a spectrum in which neither precise matches nor express references are required to counter defendants' price-impact challenges. *See, e.g.*, *In re AmTrust Fin. Servs., Inc. Sec. Litig.*, 2026 WL 2241042, at *10 (S.D.N.Y. Aug. 4, 2026) (rejecting concerns that analysts "did not specifically mention the falsity of statements" because financial analysts are not lawyers drafting reports for future mismatch purposes); *Sjunde*, 798 F. Supp. 3d at 435-39 (analyzing statements "in the context" of how investors consumed them).

B. In step with the Second Circuit, the Ninth Circuit requires a sufficiently close fit in substance between back- and front-end statements to infer price impact.

Zillow claims that allowing the Ninth Circuit's decision to stand will entrench divergent standards. Pet. 21-23. Yet at no point does Zillow identify any specific text within the disposition that directly contradicts the holding of any circuit court. The reason is straightforward: the purported conflict is manufactured.

1. There is little daylight between the securities-law principles applied by the Second Circuit and Ninth Circuits in assessing price impact under *Goldman*. Both agree that assessing price impact is a fact-bound inquiry that hinges on whether a back-end event actually corrected an earlier misstatement. *Compare* App. 3a *with ATRS*, 77 F.4th at 98. Both hold that a back-end statement can be corrective without referencing an earlier misstatement or being a precise, mirror-image match. *Id.* Both confirm that a "closer fit" between back- and front-end statements may be required to find price impact than to find loss causation. *Compare* App. 2a *with ATRS*, 77 F.4th at 98 n.11. Both acknowledge that back-end disclosures can reveal falsity constructively over time. *Compare* App. 3a *with ATRS*, 77 F.4th at 98. And both recognize that market commentary can provide critical insights into how investors construed the front- and back-end statements when making investment decisions. *Compare* App. 4a, 21a-25a *with ATRS*, 77 F.4th at 104.

This is no accident. For years, courts in every circuit have applied the same principles in evaluating whether a back-end disclosure actually corrected a defendant's misstatements. The First, Second, Fifth, Eighth, Ninth, Tenth, Eleventh, and D.C. Courts of Appeals all agree that a corrective disclosure need not be a mirror image; it need only reveal new facts that belie the earlier misstatement. *See, e.g.*, *Mass. Ret. Sys. v. CVS Caremark Corp.*, 716 F.3d 229, 240 (1st Cir. 2013); *Pub. Emps. Ret. Sys. of Miss., Puerto Rico Tchrs. Ret. Sys. v. Amedisys, Inc.*, 769 F.3d 313, 322 (5th Cir. 2014); *Rand-Heart of N.Y., Inc. v. Dolan*, 812 F.3d 1172, 1180 (8th Cir. 2016); *In re Williams Sec. Litig.-WCG Subclass*, 558 F.3d 1130, 1140 (10th Cir. 2009); *MacPhee v. MiMedx Grp., Inc.*, 73 F.4th 1220, 1243 (11th Cir. 2023); *In re Harman Int'l Indus., Inc. Sec. Litig.*, 791 F.3d 90, 110 (D.C. Cir. 2015). District courts within the remaining circuits have similarly concurred. *See, e.g.*, *Gorlamari v. Verrica Pharms., Inc.*, 2024 WL 150341, at *13 (E.D. Pa. Jan. 11, 2024); *Int'l Bhd. of Elec. Workers Loc. 98 Pension Fund v. Deloitte & Touche LLP*, 348 F.R.D. 35, 53 (D.S.C. 2024); *In re Miller Energy Res. Sec. Litig.*, 2014 WL 415730, at *22 (E.D. Tenn. Feb. 4, 2014); *In re Boeing Co. Aircraft Sec. Litig.*, 2022 WL 3595058, at *28 (N.D. Ill. Aug. 23, 2022).

Goldman only modified this framework in one way: it reminded courts that potential mismatches are important price impact evidence that must be considered alongside any other evidence probative on the issue. 594 U.S. at 117. Both the Second and Ninth Circuits responded to *Goldman*'s call by adjusting their tests for correctiveness in the exact same way: they each recognize that a "closer fit" between the front- and back-end may be needed to find price impact than for loss causation—an adjustment of particular importance in *ATRS*, given the "considerabl[y]" generic misstatements at issue, 77 F.4th at 74.[5] And unlike in *ATRS*, the panel below found a sufficient match under this lens to infer price impact.

Even the petition struggles to identify an actual conflict. Zillow asserts "the panel held *Goldman* … was satisfied because the front- and back-end statements were about the same subject" and in some tension. Pet. 21. But the disposition is clear: the Ninth Circuit's mismatch analysis went deeper, resting not on the subject matter of Zillow's statements, but on the "fit" between their actual "substance." App. 2a. No amount of repetition by Zillow and its amici can transform a factual disagreement into a legal conflict.

2. Recent decisions from within the Ninth Circuit counter Zillow's assertion that the Circuit court applied a subject matter test, which, if uncorrected, will lead district courts astray.

To date, three district courts have cited the opinions below as persuasive authority on what constitutes a sufficient mismatch. *See AMI - Gov't Emps. Provident Fund Mgmt. Co. Ltd. v. Alphabet Inc.*, 2026 WL 1382950, at *6 (N.D. Cal. May 18, 2026); *In re Enovix Corp. Sec. Litig.*, 2026 WL 1078569, at *12-13 (N.D. Cal. Apr. 21, 2026); *In re NVIDIA Corp. Sec. Litig.*, 825 F. Supp. 3d 1047, 1072, 1081 n.39 (N.D. Cal. 2026). None adopted a mere subject-matter test. And under the exact framework

5. In the proceedings below, Zillow never argued a mismatch on genericness grounds. *See, e.g.*, Zillow Reply Br., No. 24-6605, ECF No. 30, at 16. n.3 (9th Cir. Apr. 30, 2025). To the extent it seeks to do so here, that argument has not been preserved.

Zillow claims is insurmountable, Pet. 7, defendants successfully demonstrated a mismatch in two of the three cases. *See NVIDIA*, 825 F. Supp. 3d at 1072; *Enovix*, 2026 WL 1078569, at *12-13.

These two courts saw no conflict between *ATRS* and the decisions below. On the contrary, they construed them in harmony. Each court adopted the uniform rule that an event can be corrective when it discloses a consequence of concealed information, even if the disclosure does not make the connection explicit. *Id*. Each court adopted the Second Circuit's guidance that "[a]voiding a 'mismatch' requires a closer fit (even if not precise) between the front- and back-end statements than courts have required when analyzing loss causation." *NVIDIA*, 825 F. Supp. 3d at 1072. And each court recognized that mismatch inquiries turn on the facts. Unsurprisingly, their decisions were a result of their specific facts. *See Id.* at 1081 n.39 (noting that, unlike Zillow's admissions, which "reveal[ed] new information about how Zillow had been unable to 'accurately forecast' the prices it had just given assurances of," nothing in the *NVIDIA* record "tie[d] the misstatements to the disclosure"); *Enovix*, 2026 WL 1078569, at *12-13 (noting that, unlike the case at hand, "the same information that was alleged to have made the initial statements about Zillow's housing stock misleading also came to light when Zillow announced it would cease buying new homes").

Even *AMI*—the one case granting class certification on all alleged disclosures—proves that the consensus framework is working. There was no question that the corrective disclosures at issue—government lawsuits against Google for giving Facebook advertising advantages—sufficiently matched Google's representations to Congress that it gave no preferential treatment. *AMI*, 2026 WL 1382950, at *6. The petition does not even try to claim otherwise.

The emerging decisions confirm that the district courts are fully capable of navigating this developing area of law without this Court's intervention.[6]

C. Zillow's reliance on an unrelated Third Circuit disposition confirms there is no real split.

Zillow similarly attacks the Third Circuit's unpublished opinion in *San Diego Cnty. Emps. Ret. Ass'n v. Johnson & Johnson*, 2025 WL 2176586 (3d Cir. July 30, 2025) ("*J&J*") with purported rules that the court did not actually adopt. Pet. 3-6, 19-20. This includes a rule that "it does not matter whether back-end disclosures are 'corrective of prior misrepresentations,'" so long as there is a subject matter match. Pet. 3. Again, the Third Circuit said no such thing.

The *J&J* majority opinion holds that mismatches are important evidence on the price impact question. 2025 WL 2176586, at *4. "[U]nlike *Goldman*," the majority found "no mismatch." *Id.* For years, J&J had assured the public

6. The Former SEC-Official Amici selectively quote a single law review article to claim that there is a lack of consensus among the district courts. SEC Amici Br. 17. But that article only finds differing views on a niche evidentiary question: "whether the absence of discussion by potentially biased analysts about misrepresentations serves as *dispositive* evidence of a lack of price impact." Per Axelson & Matthew D. Cain, *What Is Price Impact? How the* Goldman *Decisions Are Reshaping Shareholder Class Actions*, 22 Berkeley Bus. L.J. 441, 458 (2025) (emphasis added).

that its talc products were safe and asbestos-free. Yet, publicized, internal company documents revealed J&J executives were aware of asbestos and the related cancer risks for decades. On appeal, there was no question in the majority's mind that the alleged corrective disclosures revealing the presence of asbestos in J&J's talc rendered J&J's prior asbestos-free assurances false. *Id.* Nor was there a question about how the market would have reacted under the Second Circuit's truthful-substitute test had J&J disclosed the asbestos problem and litigation risks sooner. *Id.* at *3 (adopting said test). Because there was no mismatch, the court found no error in the finding that the market would have "reacted negatively to information about J&J's talc-related representations," had it spoken truthfully. *Id.* at *5.

The primary issue raised by J&J's briefing was that the allegedly corrective information in the disclosures was not new. The majority squarely met this argument as raised but rejected J&J's contentions because "disclosures based on public information may nevertheless communicate a new signal to the market in certain situations." *Id.* at *3. To the extent there was error, the dissenting opinion confirms that error laid in the *district court*'s outdated refusal to evaluate correctiveness in the first instance, not with the majority's price impact rules or de novo findings. *Id.* at *8-10.

To date, no court has discussed the substance of the district court's opinion favorably. Instead, district courts within the Third Circuit heed the same consensus correctiveness framework used by the Second and Ninth Circuits, as discussed above. *See, e.g.*, *Himes v. Five Below*, 2026 WL 2227130, at *7 (E.D. Pa. Aug. 3, 2026).

In all events, this Court generally declines to grant certiorari to resolve issues arising from judgments in other cases. *E.g.*, *Glover v. United States*, 531 U.S. 198, 205 (2001). Zillow and amici offer no convincing reason to depart from that practice here.

III. This interlocutory disposition has multiple vehicle problems.

Zillow contends that review is warranted because this Court may have limited future opportunities to elaborate on what constitutes a mismatch under *Goldman*. Pet. i. But the scarce and discretionary nature of interlocutory review does not transform an unremarkable, nonprecedential, fact-bound affirmance into something certworthy. Under the status quo, defendants have ample opportunity to rebut *Basic* at multiple points in a case. Zillow itself retains several more chances in this case—at summary judgment, in post-discovery decertification motions, and at trial—to prove its misstatements had no price impact on more complete records that have analyzed the price impact of all key misstatements. Certiorari review at this juncture would be improvident.

A. Under the status quo, defendants have ample, meaningful opportunities to try and rebut *Basic*.

1. There is nothing unique about securities cases—or even inflation-maintenance cases more broadly—that warrants further deviation from this Court's preference against interlocutory review.

Throughout their briefs, Zillow and the amici insist that corporate defendants cannot meaningfully attempt to rebut price impact under the consensus rules applied below. Pet. 28. The record tells a different story.

Since *Goldman*, defendants have challenged price impact at class certification in nearly 50 securities-fraud cases. *See* Fideres, *Online Appendix: What Is Price Impact? How The Goldman Decisions Are Reshaping Shareholder Class Actions*, https://www.fideres.com/WhatIsPriceImpact/ (listing 40 cases up through April 2025).[7] Within this population, district courts have struck down misstatements or disclosures nearly 40% of the time (in 21 cases). Defendants have fared even better when challenging potential mismatches, succeeding in striking statements in nearly half of the 27 cases evaluating mismatches under the consensus standard Zillow now rebukes.

These success rates also understate the multiple opportunities defendants have to defeat a securities fraud class action outside of the initial class certification motion. From the starting line, the federal securities laws impose steep pleading and pre-filing investigation requirements on securities plaintiffs, *Tellabs Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 323-324 (2007), which cull more than half of all securities fraud complaints, Cornerstone Research, *Securities Class Action Filings: 2024 Year in Review* at 16 (2025), https://tinyurl.com./3d5ujdbv. And after class certification, defendants can attempt to rebut price impact again in post-discovery motions to decertify, *see, e.g.*, *Pampena v. Musk*, 2026 WL 1948057 (N.D. Cal.

7. To supplement this figure, Respondent conducted his own research and identified 12 additional decisions that issued after April 2025.

July 6, 2026) (denying post-verdict motion to decertify), at summary judgment (during which the parties here may supplement the price-impact record with additional evidence), and finally, at trial.

Although Zillow notes that historically less than 1% of securities-fraud cases are tried to judgment, Pet. 21, the same is true for most civil cases, USCourts.gov, U.S. District Courts-Civil Cases Terminated, by District and Action Taken During the 12-Month Period Ending September 30, 2025, https://tinyurl.com/4rn76fkz (noting 0.4% of civil cases reach trial). This statistic also ignores that trial rates in securities cases have risen sharply after the proffered study's 2024 cutoff date. In the past year alone, at least three federal securities-fraud class actions have gone to trial. Two resulted in defense verdicts. The one plaintiff class verdict is moving toward appellate and potentially certiorari review. *See Pampena v. Musk*, No. 26-4928 (9th Cir.).

Zillow has the same future opportunities to challenge price impact in this case without this Court's immediate intervention. Summary judgment briefing will commence in early 2027. Trial is currently scheduled to start in about a year. If the jury sides with investors, Zillow will have full opportunities to challenge any price-impact findings with which it disagrees, in post-verdict motions and appeals, including possible review by this Court.

Neither the petition nor the amici identify any special circumstance that would justify accelerating the normal timeline for this Court's review. No unusual forces are pressuring Zillow to settle. The only risk it faces is that it might lose on the merits—a risk that does not warrant certiorari.

B. The legal question needs additional time to percolate.

If future courts adopt a rule permitting price-impact rebuttals to be defeated by a mere subject-matter connection between front- and back-end statements—as Zillow incorrectly claims happened here—then this Court's intervention may be warranted. But that has not happened. The Court ordinarily awaits the development of a genuine conflict among the lower courts before exercising its certiorari jurisdiction. Allowing the "how close a match is needed" issue to percolate further will provide a clearer picture of where district courts are drawing the line and may assist this Court in applying general securities-fraud principles to price-impact questions if and when a true split materializes.

Prudence counsels this Court to let these issues percolate and await a final disposition on the merits, providing another reason why the petition should be denied.

C. The petition arrives on an incomplete record that has not addressed key misstatements.

Even setting percolation aside, this case is a poor vehicle for the independent reason that the record below does not present a complete picture of the question Zillow asks this Court to resolve.

After moving for class certification, Jaeger amended the operative complaint to add key false statements from Zillow's October 18, 2021 press release, specifically the representation that Zillow had "paused" homebuying due to external, macroeconomic factors (when it was already planning to shut down Offers because it could not accurately price homes).

Neither the district court nor the Ninth Circuit has ever addressed, and no party has ever briefed, whether Zillow's November 2, 2021 admissions—which expressly reference the October 18 press release—"actually corrected" the alleged misstatements in that release. Any decision by this Court on the mismatch standard would therefore rest on a partial record, without the benefit of lower-court analysis of a statement that indisputably forms part of the alleged fraud. Granting certiorari on an incomplete, interlocutory record would be improvident and would have minimal impact on the final disposition of this case.

This Court's review is better reserved for a price impact challenge where all alleged misstatements and disclosures were fully litigated below.

IV. On the merits, the Ninth Circuit's unanimous, fact-bound decision was correct, even under the standard Zillow proposes.

Zillow claims that the decisions below contravene *Goldman*, even though the Ninth Circuit expressly adopted the Second Circuit's closer-fit requirement, App. 2a, because the courts applied some unarticulated "same subject" test, Pet. i. The disposition itself refutes this revisionism.

1. The Ninth Circuit's disposition did what it said. The panel assessed any potential mismatches in the

substance of Zillow's statements under plaintiff's theory of falsity to assess "how the market would have reacted had [Zillow] told the truth from the start." App. 3a.

As pled: In August 2021, Zillow told investors it had improved its pricing models by both "strengthen[ing]" the total value of money it was offering to home sellers and "sharpen[ing]" its models' ability to accurately value present and future home prices. 3-ER-326-27. These were not generic, boilerplate statements about regular business operations buried in a lengthy securities filing. *See ATRS*, 77 F.4th at 82. They were voluntary, affirmative assurances pushed on investors to suggest that Zillow had fixed a fundamental issue that was critical to the business's success. Yet three months later, Zillow "contradict[ed]" these assurances by admitting that it had never been able to accurately predict future home prices, App. 24a-25a, and that its pricing efforts had been so inaccurate that it had chosen to shut down its iBuying business. *Id.*

Zillow and its supporting amici claim these disclosures cannot be corrective because they do not mutually exclude the possibility that its scientists were also trying to improve its pricing models. Pet. 27; Chamber of Commerce Amici Br. 6. Those facts are not in the class certification record. Even if they were, this framing misunderstands why Zillow's misstatements were misleading.

Zillow did not merely say it was working on its models; it affirmatively represented that the models had already been improved to be robust enough in "strength[]" and "sharpen[ed]" accuracy to drive a doubling of Zillow's home acquisitions in a single quarter. The Ninth Circuit recognized this critical distinction at oral argument, comparing Zillow's misleading attribution of its growth to the fraudulent misattribution statements made by Theranos and Elizabeth Holmes. Oral Argument at 6:40 [https://www.ca9.uscourts.gov/cases/streams-videos/archive?case=24-6605&hearingDate=2025-08-14]; *see United States v. Holmes*, 163 F.4th 547, 556 (9th Cir. 2025).

A company cannot represent that it has a specific capability robust enough to drive a headline business result and then disclaim any inconsistency when it later admits that capability never existed. Under *Goldman*'s common-sense approach, there is no need to speculate about what would have happened to Zillow's stock price had it told the public some truthful substitute of what the disclosures revealed:

- Last quarter, we doubled our acquisitions without first resolving our executives' internal misgivings about our models' accuracy and ability to respond quickly to errors. *See Vivendi*, 838 F.3d at 235, 258 (describing, as a truthful substitute for the company's "rosy picture of its liquidity state," the "misgivings its executives were sharing behind the scenes").

- Last quarter, we doubled our home acquisitions, even though our algorithmic pricing models have high "observed error rate[s]" of up to 7% arising from manual overrides of our model. *See* App. 4a, 9a.

- Last quarter, we doubled our home acquisitions, even though our models are "unable to accurately forecast future home prices" at a level where we

> feel confident staying in this business. *See id.* 4a; 3-ER-354.

Zillow's stock price would have dropped. That is why the courts below found a sufficient match under *Goldman*. App. 4a. The petition has no answer to this fact-bound reality.

2. The panel findings also reflected an accurate application of *Goldman*'s instruction to consider all price impact evidence to a 1,000+ page factual record consisting not just of matching analyses, but also market commentary from securities analysts—*i.e.*, some of the most sophisticated securities investors and researchers in the world.

At the front end, market commentary showed that analysts actively relied on Zillow's misstatements when they were made. Among other things, analysts pointed to the purported pricing-model improvements as a key catalyst for delivering profitability. 2-ER-64; *see, also* 2-ER-65 (noting Zillow's statements suggested it had an "effective algorithm in a situation where [the] ibuyer was not supposed to succeed"). On the back end, the market evidence showed that each cascading disclosure added weight to analysts' doubts about whether Zillow needed to revisit these improvements. App. 4a, *see also* 2-ER-77-79, 91-92. Even Zillow's expert conceded that the market understood "something [wa]s not working in the process that Zillow [wa]s using to acquire homes, given that they [we]re, on average, they [we]re buying houses at prices higher than the prices they could sell the homes for." 2-ER-138-42.

Although the market generally knew that Zillow had overpaid for some homes in some isolated markets, the evidence established that the market did not know or appreciate the full scope and magnitude—including that Zillow fundamentally could not accurately forecast prices—until early November. App. 4a, 21a-22a. And when Zillow finally disclosed the failure of its algorithm in concrete terms—a $568 million write-down and plans to shut down Offers—these shocked analysts pressed Zillow to explain "what went wrong" given the rosy picture it had painted three months earlier through the alleged misstatements. 2-ER-110-12.

3. That Zillow never publicly admitted that it used overlays does little to change this calculus. Pet. 14, 16. Nothing in *Goldman* or any circuit court precedent requires that a corrective disclosure must reveal every fine detail to infer price impact. Such a rule would defy common sense. Companies rarely admit fraud, and when they acknowledge errors, they often do so in ways that understate culpability. *See, e.g.*, *Sjunde*, 798 F. Supp. 3d at 467 (finding that a corrective disclosure "made it abundantly clear" that CEO knowingly met with a fraudster, even though it did "not expressly say that Goldman found evidence showing [the fraudster] was involved in" a corrupt enterprise); *Ferris v. Wynn Resorts, Ltd.*, 2023 WL 2337364, at *10 (D. Nev. Mar. 1, 2023) (finding that market participants connected a defendant's sexual misconduct disclosures with denials of misconduct, even when the denials "never used the word 'sexual'"). Zillow's refusal to explicitly disclose its Project Ketchup overlays offers a prime example of this trend.

If a fact-for-fact disclosure were required to show actual correction, a defendant could defeat liability simply by refusing to directly admit the falsity of its prior misstatements or by parceling out aspects of the fraud through a protracted series of partial disclosures. *See Flowserve*, 572 F.3d at 230. Yet that is precisely the regime the petition seeks. Zillow's construction of *ATRS* would immunize mealy-mouthed fraudsters and foreclose otherwise clear inflation-maintenance cases whenever a corrective disclosure does not expressly refer to a prior misstatement or reveal the alleged fraud in full and explicit detail. *See id. Goldman* endorsed no such rule.

Goldman instructed lower courts to consider all price-impact evidence. 594 U.S. at 122. That is what the Ninth Circuit and the district court did. Unlike the dearth of evidence in *ATRS*, the record here showed that Zillow's misstatements were capable of propping up Zillow's stock price—and that the corrective disclosures actually deflated it. A straightforward application of this Court's precedent warrants neither certiorari review nor summary reversal.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari and request for summary reversal should be denied.

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