No. 26-_____

IN THE

Supreme Court of the United States

CHARTER CONSOLIDATED LTD.; ESAB CORPORATION; and CENTRAL MINING & INVESTMENT CORPORATION LTD.,

Petitioners,

v.

CAPE INTERMEDIATE HOLDINGS LIMITED, individually and as successor in interest to Cape Asbestos Company Limited, by and through its Receiver Peter D. Protopapas; JOHN A. TIBBS; and MARGARET B. TIBBS,

Respondents.

On Petition For A Writ Of Certiorari To The Supreme Court Of South Carolina

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED

Whether the territorial limits on state courts' power embodied in the Due Process Clause, the Commerce Clause, and principles of federalism prohibit a state-court receiver from controlling the litigation decisions and other internal affairs of an out-of-state corporation when the receiver has not been recognized in the corporation's place of incorporation.

PARTIES TO THE PROCEEDING AND RULE 29.6 DISCLOSURE STATEMENT

Charter Consolidated Ltd., ESAB Corporation, Central Mining & Investment Corporation Ltd., Altrad Investment Authority S.A.S., and Mohed Altrad were appellants in the South Carolina Supreme Court and are petitioners in this Court. Cape Intermediate Holdings Limited (incorrectly identified in the caption below as Cape plc), through its receiver Peter D. Protopapas, John A. Tibbs, and Margaret B. Tibbs were respondents in the South Carolina Supreme Court and are respondents in this Court.

Pursuant to this Court's Rule 29.6, counsel state that Petitioner Central Mining & Investment Corporation Ltd. is a subsidiary of Petitioner Charter Consolidated Ltd.; Charter Consolidated Ltd. is a subsidiary of Charter Ltd.; Charter Ltd. is a subsidiary of Charter Consolidated Holdings Ltd.; Charter Consolidated Holdings Ltd. is a subsidiary of Charter International Ltd.; Charter International Ltd. is a subsidiary of Colfax UK Holdings Ltd.; Colfax UK Holdings Ltd. is a subsidiary of MT Foreign Holdings, Inc.; MT Foreign Holdings, Inc. is a subsidiary of Petitioner ESAB Corporation.

ESAB Corporation is publicly traded on the New York Stock Exchange under the stock ticker ESAB and does not have a parent company. T. Rowe Price Group, Inc., publicly traded on the Nasdaq Stock Market under the stock ticker TROW, owns 10% or more of ESAB Corporation's stock.

RULE 14.1(b)(iii) STATEMENT

- *Tibbs v. 3M Co.*, No. 2025-002104 (S.C.) (opinion issued May 27, 2026, and rehearing denied Aug. 4, 2026).
- *Tibbs v. 3M Co.*, No. 2023-CP-40-01759 (S.C. Ct. Common Pleas, 5th Cir.) (order confirming appointment of receiver entered Oct. 13, 2025).
- *Park v. Armstrong Int'l, Inc.*, No. 2021-CP-40-02727 (S.C. Ct. Common Pleas, 5th Cir.) (order appointing receiver entered Mar. 17, 2023).

There are no additional proceedings in any court that are directly related to this case.

TABLE OF CONTENTS

TABLE OF APPENDICES

Page

TABLE OF AUTHORITIES

Page(s)

Cases

Constitutional Provision

Statute

Other Authorities

PETITION FOR A WRIT OF CERTIORARI

Petitioners Charter Consolidated Ltd., ESAB Corporation, and Central Mining & Investment Corporation Ltd. (collectively, the "Charter Petitioners") respectfully petition for a writ of certiorari to review the judgment of the South Carolina Supreme Court.

OPINIONS BELOW

The opinion of the South Carolina Supreme Court (Pet. App. 1a) is reported at 933 S.E.2d 254. The South Carolina Supreme Court's orders denying rehearing (Pet. App. 36a) and denying a stay (Pet. App. 41a) are unpublished. The order of the South Carolina Court of Common Pleas for the Fifth Judicial Circuit confirming appointment of the receiver (Pet. App. 62a) is also unpublished.

JURISDICTION

The South Carolina Supreme Court denied rehearing on August 4, 2026. Pet. App. 36a. This Court's jurisdiction is invoked under 28 U.S.C. § 1257(a). The South Carolina Supreme Court conclusively rejected the Charter Petitioners' argument that the receivership at issue violates the United States Constitution and confirmed the receiver's authority to prosecute third-party claims against them in this case. Thus, while a trial on the merits of the receiver's claims against the Charter Petitioners remains to be completed on remand, whether the receiver is constitutionally permitted to bring those claims against the Charter Petitioners was finally decided by the South Carolina Supreme Court. The South Carolina Supreme Court's resolution of that threshold question constitutes a "final judgment" under 28 U.S.C.

§ 1257(a) because that question "is a separate and independent matter, anterior to the merits and not enmeshed in the factual and legal issues comprising the [receiver's] cause[s] of action." *Mercantile Nat'l Bank v. Langdeau*, 371 U.S. 555, 558 (1963); *see also Cox Broad. Corp. v. Cohn*, 420 U.S. 469, 482-83 (1975).

CONSTITUTIONAL PROVISIONS INVOLVED

Relevant constitutional provisions are reproduced in the Appendix. Pet. App. 165a.

INTRODUCTION

This case presents the question whether a state court can coopt control of an out-of-state corporation by appointing a receiver to make litigation decisions and other sensitive corporate determinations that, under the laws of the corporation's place of incorporation, properly rest with the corporation's board of directors. A South Carolina trial court has appointed a local attorney as receiver over an active English company, Cape Intermediate Holdings Limited ("CIHL"), and empowered him to override decisions of CIHL's English board—one of more than *a dozen* extraterritorial receiverships established by this same South Carolina court. Acting in CIHL's name, the receiver accepted service of a personal-injury complaint and then filed and prosecuted third-party claims against the Charter Petitioners and other defendants, alleging that they are CIHL's alter egos—all without the input or approval of CIHL's board and in the face of a U.K. court's injunction *prohibiting* the receiver from continuing to act on CIHL's behalf.

In the decision below, the South Carolina Supreme Court upheld the receiver's appointment, concluding that there is nothing constitutionally objectionable about a South Carolina receiver exercising control over the litigation decisions of an out-of-state corporation. In so holding, the South Carolina Supreme Court expressly declined to follow the Third Circuit's conflicting decision in *In re Whittaker Clark & Daniels Inc.*, 176 F.4th 241 (3d Cir. 2026), *pets. for cert. filed*, Nos. 26-159 & 26-263. There, the Third Circuit held that constitutional limits on "the authority a state court can exercise over companies that are incorporated in a sister state" barred the *same* South Carolina attorney, appointed receiver by the *same* South Carolina trial court, from controlling the litigation decisions of a New Jersey corporation. *Id.* at 258. "[D]ivest[ing]" the New Jersey corporation's "board of authority to conduct the internal affairs of the corporation," the Third Circuit emphasized, "would be an unprecedented exertion of power over a foreign corporation" and "a radical intrusion into the province of a co-equal sovereign." *Id.* at 259.

In upholding the cross-border receivership over CIHL, the South Carolina Supreme Court broke with the Third Circuit. It also departed from centuries of this Court's precedent enforcing territorial restrictions on state courts' authority. As this Court recently reaffirmed, the Constitution imposes "'territorial limitations on the power of the respective States,'" thereby ensuring that "'the States, through their courts, do not reach out beyond the limits imposed on them by their status as coequal sovereigns in a federal system.'" *Fuld v. Palestine Liberation Org.*, 606 U.S. 1, 14 (2025) (citation omitted). These constitutional limits—embodied in the Due Process Clause, the Commerce Clause, and the Constitution's federalist structure—forbid state courts from "regulating the internal affairs of foreign corporations." *Edgar v. MITE Corp.*, 457 U.S. 624, 646 (1982).

The South Carolina Supreme Court cast aside those territorial limitations in holding that the South Carolina receiver, acting on behalf of an English corporation, could file and prosecute third-party claims against the Charter Petitioners—litigation decisions that rest at the core of CIHL's internal affairs and that are therefore subject to the exclusive oversight of its English board under English law. Such cross-border regulation is particularly pernicious where the corporation is incorporated in a foreign country because the United States must be able to speak "with one voice" on matters of foreign commerce and foreign affairs. *Japan Line, Ltd. v. Los Angeles County*, 441 U.S. 434, 449 (1979); *Crosby v. Nat'l Foreign Trade Council*, 530 U.S. 363, 381 (2000). The South Carolina courts' transnational receivership created a constitutionally intolerable risk of international friction—which culminated in competing orders from the South Carolina and U.K. courts regarding the receiver's authority to act for CIHL.

This Court's review is urgently needed to resolve the direct split between the Third Circuit and the decision below on the constitutionality of cross-border receiverships, to reinforce the Constitution's territorial boundaries on state-court authority, and to prevent further interstate and international discord fostered by States' attempts to control the internal affairs of out-of-state corporations. Only this Court can restore nationwide respect for the constitutional limits on state-court power and put a definitive end to South Carolina's extraterritorial, and unconstitutional, receivership practices.

STATEMENT

1. South Carolina has channeled all asbestos litigation in the State to a single trial-court judge, the Honorable Jean H. Toal. Judge Toal served as the Chief Justice of the South Carolina Supreme Court until her retirement in 2015 and was later selected by her successor to oversee the State's asbestos docket. In that capacity, Judge Toal has repeatedly appointed receivers to take control of asbestos defendants, imposing 24 receiverships over the past seven years. In each of those orders, she has appointed the same local attorney, Peter D. Protopapas, as receiver, granting him broad authority over the litigation decisions and other internal affairs of the corporation. The majority of these receiverships have involved companies incorporated outside of South Carolina, including in North Carolina, Texas, Florida, New Jersey, Canada, and England.

This case concerns one of those extraterritorial receiverships. At the request of plaintiff's counsel in *Park v. Armstrong International, Inc.*, one of the hundreds of asbestos personal-injury actions recently filed in South Carolina, Judge Toal appointed Mr. Protopapas in 2023 to serve as a receiver over Cape plc, a company incorporated in the Bailiwick of Jersey that was one of two named Cape defendants in the case; the other was CIHL. Pet. App. 127a. Neither company entered an appearance in the case.

The court's order directed the receiver to "administer all assets" of Cape plc, "accept service" and "engage counsel" on its behalf, and "take any and all steps necessary to protect [Cape plc's] interests . . . whatever they may be." Pet. App. 128a. The order also directed the receiver "to collect and administer 'any insurance assets of [Cape plc],'" Pet. App. 7a, and it set out an 11-point list describing his additional powers over the company, Pet. App. 128a-29a.

2. In April 2023, Respondents John Tibbs and his wife, Margaret, filed this case, suing scores of companies alleged to have made or sold asbestos products "for use" in South Carolina. Compl. ¶ 3, *Tibbs v. 3M Co.*, No. 2023-CP-40-01759 (S.C. Ct. Common Pleas, 5th Cir. Apr. 5, 2023). Their complaint asserted that Mr. Tibbs, who was diagnosed with lung cancer in 2022, had been exposed to asbestos through his father's work clothes and later "at various industrial jobsites." *Id.* ¶¶ 109, 115. Among the named defendants was Cape plc (but not CIHL). The trial court later ruled, and the South Carolina Supreme Court agreed in the decision below, that "CIHL"—not Cape plc—"is the correct defendant" in this case. Pet. App. 15a (capitalization altered). CIHL is an active corporation incorporated in England that traces its corporate history to Cape Asbestos Company Ltd., which was incorporated in England in 1893 and historically had an ownership interest in certain companies that mined asbestos in South Africa. Pet. App. 6a.

Acting under color of the *Park* appointment order—which the trial court and South Carolina Supreme Court also later clarified applies to CIHL, not Cape plc, Pet. App. 6a, 113a—the receiver accepted service of the *Tibbs* complaint on CIHL's behalf and filed an answer without preserving any affirmative defenses (including lack of personal jurisdiction). *See* Pet. App. 7a. The following day, without the consent of CIHL's board, the receiver filed a third-party complaint on CIHL's behalf that affirmatively admitted decades of asbestos liabilities and then sought to recover from third-party defendants allegedly responsible for CIHL's admitted liabilities. *See* Pet. App. 7a-8a. The third-party defendants included each of the Charter Petitioners—Charter Consolidated Ltd., ESAB Corporation, and Central Mining & Investment Corporation Ltd.—as well as Altrad Investment Authority S.A.S. and Mohed Altrad (the "Altrad Petitioners" and together with the Charter Petitioners, "Petitioners"). Third-Party Compl. ¶¶ 19-21, *Tibbs v. 3M Co.*, No. 2023-CP-40-01759 (S.C. Ct. Common Pleas, 5th Cir. June 30, 2023). Like CIHL, Charter and Central Mining are English corporations. *Id.* ESAB is a Delaware corporation formed in 2021 with its principal place of business in Maryland. *Id.* The receiver's third-party complaint alleged that each defendant is an alter ego of CIHL, or has been unjustly enriched by its relationship with CIHL, and is therefore liable for any damages award the Tibbs Respondents recover against CIHL. *Id.* ¶¶ 124, 141.

In September 2023, Petitioners moved to dismiss the receiver's third-party complaint for lack of personal jurisdiction. Pet. App. 8a. The trial court denied those motions. *Id.* Petitioners also moved to dissolve the receivership over CIHL, which would eliminate the receiver's authority to pursue third-party claims against Petitioners allegedly on CIHL's behalf. *Id.* The trial court denied those motions as well. *Id.*

CIHL sought relief in its home jurisdiction, filing suit against the receiver in the High Court of Justice of England and Wales. *See* Order ¶¶ 1, 47, 64, 138-40, *Cape Intermediate Holdings Ltd. v. Protopapas*, [2024] EWHC (Ch) 2999 (Eng.), https://perma.cc/8UGC-J2Q5 ("U.K. Order"). The

U.K. court issued an injunction "prevent[ing] the receiver, even in South Carolina, from acting or purporting to act for or on behalf of" CIHL. *Id.* ¶¶ 136-37. The U.K. court reasoned that "the law of the country of incorporation governs the capacity of a corporation to enter into transactions and all matters relevant to the internal governance of the corporation." *Id.* ¶ 93. Because CIHL is incorporated in England, *id.* ¶ 98, the U.K. court concluded that "the receiver's acts should not be recognised for English law purposes" and that "the management and affairs of CIHL ought to be exclusively in the hands of the English board," *id.* ¶¶ 100, 115(a). The South Carolina receiver was therefore committing a tort by "purporting to act as agent of CIHL without authority recognised in English law." *Id.* ¶ 112. While the court regretted the "clash between two court systems," it concluded that a worldwide injunction was the only way to "successfully deal[ ] with" the "threats posed by the receiver." *Id.* ¶¶ 135-37.

3. Shortly thereafter, the South Carolina Supreme Court decided *Welch v. Advance Auto Parts, Inc.*, 916 S.E.2d 320 (S.C. 2025), *cert. denied sub nom. Atlas Turner, Inc. v. Welch*, 146 S. Ct. 1497 (2026), another asbestos-receivership case. In *Welch*, the trial court had appointed the same local attorney, Mr. Protopapas, to act as receiver over the "Insurance Assets" of Atlas Turner, Inc., a Canadian corporation. *Id.* at 325. Atlas Turner appealed, and the South Carolina Supreme Court upheld the receivership.

The South Carolina Supreme Court held that "any Insurance Assets owned by Atlas Turner that may cover Mr. Welch's injuries are properly within the Receivership estate." *Welch*, 916 S.E.2d at 334. At the same time, the court emphasized that the receivership did not extend beyond Atlas Turner's Insurance Assets. *Id.* at 335.

The South Carolina Supreme Court also took the opportunity to comment on the injunction issued by the High Court of Justice of England and Wales—even though the CIHL receivership was not at issue in *Welch*. Calling the injunction "[s]hocking to American eyes," the court dismissed it as "*brutum fulmen* (an empty noise)." *Welch*, 916 S.E.2d at 334.

4. In response to *Welch*—as well as an additional order from the South Carolina Supreme Court granting petitions for certiorari filed by Petitioners and directing the trial court to ensure that the receivership in this case conforms with *Welch*, Pet. App. 57a-58a—the parties here submitted further briefing to the trial court on the CIHL receivership's validity. In those submissions, Petitioners highlighted the Third Circuit's recent decision in *In re Whittaker Clark & Daniels Inc.*, 176 F.4th 241 (3d Cir. 2026), which held that the U.S. Constitution barred a South Carolina receiver from controlling the litigation decisions of a New Jersey corporation. *Id.* at 258-59. Invoking *Whittaker*, Petitioners explained that "vest[ing] a receiver with decision-making authority" for an out-of-state company "would violate the United States Constitution—including the Commerce Clause and the Due Process Clause." Altrad Defs.' Notice of Add'l Auth. at 2, *Tibbs v. 3M Co.*, No. 2023-CP-40-01759 (S.C. Ct. Common Pleas, 5th Cir. Sept. 11, 2025). In response, the trial court entered an order, referred to by the South Carolina Supreme Court as the Confirmation Order, confirming that the receiver has the authority to act on CIHL's behalf in this case. Pet. App. 62a.

First, the trial court clarified that "the entity in receivership is 'Cape Intermediate Holdings Limited, formerly known as Cape plc from 1989-2011.'" Pet. App. 123a. Second, the trial court ruled that, although the receiver was appointed in the *Park* case, he also has the authority to act in the *Tibbs* litigation. Pet. App. 72a. And third, the trial court rejected Petitioners' argument that "*Welch* requires limitation of this Court's appointment only to [CIHL's] insurance assets" and "confirm[ed] that the Receiver's litigation activity to date"—including filing his third-party complaint against Petitioners—"has been conducted within the scope of the Appointment Order." Pet. App. 121a, 125a; *see also* Pet. App. 120a ("This Court finds that the Receiver was authorized to file the Third-Party Complaint in *Tibbs*.").

5. Petitioners appealed the trial court's Confirmation Order, and the South Carolina Supreme Court certified those appeals for its review.[1]

Petitioners raised multiple constitutional objections to the receivership over CIHL. In particular, they argued that imposing a receivership on "a foreign entity like CIHL would violate the internal affairs doctrine, Due Process, the Commerce Clause, and the basic point of federalism that one state cannot reach outside of its own jurisdictional boundaries." Pet. App. 136a. As Petitioners explained, "[t]he U.S. Con-

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[1] Before the South Carolina Supreme Court certified the appeals for review, trial commenced of the receiver's third-party claims against Petitioners, who, in light of their personal-jurisdiction objections, attended but took a passive role in the trial proceedings, preserving all objections. During an adjournment, the South Carolina Supreme Court accepted the certified appeals and stayed the trial.

stitution and federalism define the boundaries of [the authority of] a state legislature and do not permit one state to reach beyond its borders" to control the internal affairs of an out-of-state corporation. Pet. App. 152a. Petitioners also repeatedly invoked the Third Circuit's decision in *Whittaker*, which recognized that "'the Constitution places limits on the authority a state court can exercise over companies that are incorporated in a sister state'"—or, as here, in a foreign country. Pet. App. 161a (quoting *Whittaker*, 176 F.4th at 258); *see also* Pet. App. 155a.

The South Carolina Supreme Court affirmed the trial court's order confirming the receivership over CIHL but modified the scope of the receiver's powers.

Beginning with Petitioners' state-law objections, the court held that South Carolina's statutory standard for appointment of a prejudgment receiver was met because CIHL had supposedly "engaged in decades of moral fraud in asbestos litigation, including in this case." Pet. App. 25a. The principal example of "moral fraud" the court identified was CIHL's "policy to not engage in United States asbestos litigation" by standing on its personal-jurisdiction defense. *Id.* According to the state supreme court, CIHL's refusal to appear when it believed a U.S. court lacked personal jurisdiction "demonstrates it is seeking to evade its responsibilities as a civil litigant." *Id.* (internal quotation marks omitted).

Turning to the scope of the receiver's powers, the South Carolina Supreme Court expressly rejected Petitioners' argument that "litigation decisions, such as whether and how to sue, defend a lawsuit, or accept service are solely for [CIHL's] board of directors and cannot be lawfully made by a receiver." Pet. App. 28a. The court held, however, that a prejudgment receiver is "limited to conducting activities in and connected directly to the pending lawsuit." Pet. App. 27a. It therefore "modif[ied] the Confirmation Order" so that the receiver "may only operate to collect insurance assets and pursue such legal and equitable claims the corporation may have that can result in the receipt of assets responsive to the Tibbs' pending claims." *Id.* According to the court, "[a]llowing the pre-judgment receiver to operate in this limited scope does not impair [CIHL's] right as a foreign corporation to conduct its internal affairs free from interference by a foreign court." *Id.*

The South Carolina Supreme Court then turned to the Third Circuit's decision in *Whittaker*, which the court dismissed as inapposite even though the Third Circuit had considered whether the same South Carolina attorney, acting as receiver for another out-of-state corporation, could make litigation decisions on behalf of that corporation. Pet. App. 29a-30a. The court acknowledged that *Whittaker* considered "whether a South Carolina post-judgment receiver for a New Jersey corporation could prevent the corporation from filing bankruptcy." Pet. App. 29a. And it further acknowledged the Third Circuit's reasoning that "the full faith and credit clause may not require a state to recognize and enforce another state court judgment purporting to exercise authority over the internal affairs of a foreign corporation." Pet. App. 30a. But that question, the court stated, was supposedly "much narrower and far different" from the question presented here: whether a South Carolina court may "appoint a pre-judgment receiver over a foreign corporation for the purpose of pursuing potential insurance assets and certain claims." *Id.* According to the South Carolina Supreme Court, "these pursuits do not tread on the corporation's internal affairs." *Id.*

The South Carolina Supreme Court also discounted the foreign-affairs implications of the transnational receivership and the receiver's defiance of the U.K. injunction prohibiting him from acting on CIHL's behalf. The court acknowledged the "'clash between two court systems,'" Pet. App. 18a, but gave no weight to the U.K. injunction. According to the South Carolina Supreme Court, the U.K. court supposedly would be "amazed" by Petitioners' "interpret[ation]" of the injunction, and it purported to "save the" U.K. court from "mortification" by construing the injunction as having no effect on the receiver's South Carolina activities. *Id.* at 19a-20a.

The South Carolina Supreme Court subsequently denied Petitioners' petitions for rehearing. Pet. App. 36a. The court also denied Petitioners' motion to stay or recall its remittitur. Pet. App. 41a. In so doing, the South Carolina Supreme Court reiterated its disagreement with Petitioners' characterization of the Third Circuit's *Whittaker* decision, contending that *Whittaker* is distinguishable because "[w]e limited the scope of the Receivership to cover just two matters: the pursuit of any insurance coverage and the pursuit of alter ego/amalgamation and other equitable claims that may benefit the corporation." Pet. App. 47a. The court further declared that it could "not understand how the Dormant Commerce Clause applies to a state court order regarding a company incorporated and existing under the laws of another country," dismissed as "surreal" Petitioners' argument that "no state court has jurisdiction to affect the internal affairs of a corporation located outside the United States," and accused Petitioners of "wast[ing] the scarce judicial resources of this Court" by pressing their challenges to the receivership. Pet. App. 48a-49a, 51a-52a.

REASONS FOR GRANTING THE PETITION

This Court's review is warranted to resolve a direct and irreconcilable conflict over the constitutionality of state-court receiverships that seize control of the litigation decisions and other internal affairs of out-of-state corporations. The Third Circuit has held that a state-court receiver cannot override the litigation decisions of an out-of-state corporation's board absent recognition of the receivership in the corporation's place of incorporation. *See In re Whittaker Clark & Daniels Inc.*, 176 F.4th 241, 257-59 (3d Cir. 2026). That rule follows inexorably from fundamental constitutional limits on state sovereignty: States may not project their regulatory authority beyond their borders. *Id.*

Yet the South Carolina Supreme Court expressly rejected the Third Circuit's restrictions on extraterritorial receiverships. In the decision below, it held that the same South Carolina trial court as in *Whittaker* could appoint the same local attorney as a prejudgment receiver to take control of an English corporation's insurance coverage and litigation decisions—including the decision to file and prosecute third-party claims against Petitioners—even though no English court has recognized the receiver's authority and the High Court of Justice of England and Wales has expressly *enjoined* the receiver from acting on CIHL's behalf.

The decision below is also impossible to reconcile with this Court's precedent recognizing the territorial limitations on state sovereignty grounded in the Due Process Clause, the Commerce Clause, and principles of federalism. These constitutional constraints prevent a state court from "interfer[ing] with or control[ling] by injunction or otherwise the management of the internal affairs of a corporation organized under the laws of another state." *Rogers v. Guaranty Tr. Co. of N.Y.*, 288 U.S. 123, 130 (1933). For the same reasons, "[t]he functions and authority of [a] receiver are confined to the jurisdiction in which he was appointed," *Sterrett v. Second Nat'l Bank of Cincinnati*, 248 U.S. 73, 76-77 (1918), and an appointing court can confer "no extra territorial power of official action," *Booth v. Clark*, 58 U.S. (17 How.) 322, 338 (1854). The decision below discounts those settled territorial restrictions, authorizing a South Carolina receiver to make decisions related to insurance and litigation for an English corporation that, under English law, properly rest with the corporation's board.

The implications of the South Carolina Supreme Court's entrenched and territorially boundless view of receivership power extend well beyond this case. The same South Carolina trial court has already imposed *more than a dozen* cross-border receiverships. And if South Carolina may commandeer out-of-state corporations' internal affairs with impunity, other States may do the same. In the resulting jurisdictional disarray, corporations would be subject to competing and conflicting assertions of control by court-appointed receivers across the country. Those consequences are particularly dire in the transnational setting because receiverships over non-U.S. companies, such as the one upheld here, impair the federal government's exclusive control over foreign commerce and foreign affairs and inevitably breed international discord. Those concerns are exemplified by the U.K. court's order enjoining the receiver from acting for CIHL—and the South Carolina Supreme Court's response dismissing the U.K. injunction as "shocking" and "empty noise." *Welch v. Advance Auto Parts, Inc.*, 916 S.E.2d 320, 334 (S.C. 2025).

Only this Court can defuse this international clash. The Court should grant review to establish a uniform national approach to the validity of extraterritorial receiverships, to restore the territorial limits on state courts' power, and to prevent further international conflict generated by U.S. courts' imposition of cross-border receiverships.

I. THE DECISION BELOW CONFLICTS WITH A DECISION OF THE THIRD CIRCUIT REGARDING THE CONSTITUTIONAL LIMITS ON RECEIVERS' AUTHORITY OVER OUT-OF-STATE CORPORATIONS.

The lower courts are divided over whether the Constitution permits state-court receivers to control the litigation decisions and other internal affairs of out-of-state corporations.

A. In the Third Circuit, a state-court receiver may not control the litigation decisions of out-of-state corporations absent recognition of the receivership in the place of incorporation.

The Third Circuit reached that conclusion in *In re Whittaker Clark & Daniels Inc.*, 176 F.4th 241 (3d Cir. 2026). There, Judge Toal—the same South Carolina trial-court judge who appointed the receiver in this case—entered an order appointing Mr. Protopapas—the same local attorney acting as receiver here—as receiver over Whittaker, a New Jersey corporation named in a South Carolina asbestos personal-injury suit. *Id.* at 250.

The receivership order purported to authorize the receiver to "'fully administer all assets'" of the corporation, "'accept service'" and "'engage counsel'" on its behalf, and "'take any and all steps necessary to protect [the corporation's] interests.'" *Whittaker*, 176 F.4th at 250. Without obtaining the South Carolina receiver's approval, however, Whittaker's board declared bankruptcy. *Id.* at 251. The receiver moved to dismiss the bankruptcy filing as unauthorized, and a federal bankruptcy court was required to decide whether the South Carolina receivership order had "divested" the New Jersey corporation's "board of authority to file for bankruptcy." *Id.* at 253. The bankruptcy court found no such divestiture, and the district court affirmed. *Id.* at 251.

On appeal, the Third Circuit likewise affirmed, concluding that constitutional limitations on state courts' authority foreclosed a South Carolina receiver from divesting a New Jersey corporation's board of its right to file for bankruptcy. *Whittaker*, 176 F.4th at 257-59. The Third Circuit noted that, under New Jersey law, out-of-state receivers may apply for "recognition in New Jersey" and the appointment of an "ancillary receiver" to assist with administering the corporation's affairs. *Id.* at 257. But the South Carolina receiver "did not do so," instead asserting authority to manage the New Jersey corporation's affairs—including the right to decide whether it should file for bankruptcy—by force of the South Carolina receivership order alone. *Id*.

The Third Circuit held that such an extraterritorial intrusion into the governance of a New Jersey corporation would contravene constitutional limits on state courts' authority. *Whittaker*, 176 F.4th at 258. The Third Circuit emphasized that the Constitution "has a great deal to say about the relations between states, their authority to decide the rights of foreign parties, and the application of their laws in instances of conflict," including establishing a "system of federalism" that "embodies the fundamental principle of equal sovereignty" among the States. *Id.* (internal quotation marks omitted). For example, the Fourteenth Amendment's Due Process Clause imposes "limitations on state courts' authority to determine non-resident parties' rights." *Id*. In addition, "the dormant Commerce Clause prohibits" States from regulating "out-of-state competitors" to benefit "in-state economic interests." *Id*. (internal quotation marks omitted).

It is therefore "no surprise," the Third Circuit continued, "that the Constitution places limits on the authority a state court can exercise over companies that are incorporated in a sister state." *Whittaker*, 176 F.4th at 258. "[W]hen it comes to control over corporate decision-making, a state 'has no interest in regulating the internal affairs of foreign corporations.'" *Id.* at 259 (quoting *Edgar v. MITE Corp.*, 457 U.S. 624, 645-46 (1982)). It is the "state of incorporation" that "enjoys exclusive authority to govern the internal affairs of its corporations." *Id.*

Based on those constitutional principles, the Third Circuit concluded that any effort by the South Carolina trial court to "'divest[ ]'" Whittaker's "board of authority to conduct the internal affairs of the corporation—including the authority to file for bankruptcy"—would be "an unprecedented exertion of power over a foreign corporation whose internal affairs are governed by the laws of a sister state." *Whittaker*, 176 F.4th at 259. It likewise would represent "a radical intrusion into the province of a co-equal sovereign"—an intolerable result under "[o]ur system of federalism," which ensures that each State acts "'within the limits of its own territory.'" *Id.* at 258-59 (quoting *Nat'l Pork Producers Council v. Ross*, 598 U.S. 356, 375 (2023)). "Thus, consistent with relevant constitutional constraints, New Jersey law governs and sanctions the authority of Whittaker's board to petition for bankruptcy." *Id.* at 259.

B. In the decision below, the South Carolina Supreme Court took a dramatically different approach and expressly declined to follow *Whittaker*.

Like *Whittaker*, which concerned a South Carolina receiver (Mr. Protopapas) purporting to control a New Jersey corporation's litigation decisions, this case concerns a South Carolina receiver (again, Mr. Protopapas) purporting to control an English corporation's "litigation decisions, such as whether and how to sue, defend a lawsuit, or accept service." Pet. App. 28a. Unlike the Third Circuit, however, the South Carolina Supreme Court explicitly rejected the proposition that "litigation decisions . . . are solely for [CIHL's] board of directors." *Id.* In its view, wresting that authority from the board of an out-of-state corporation and granting it to a South Carolina receiver does "not tread on the corporation's internal affairs." Pet. App. 30a. In reaching that conclusion, the South Carolina Supreme Court pointedly declined "to follow" *Whittaker*, Pet. App. 29a, heeding none of the constitutional limitations that the Third Circuit applied in rejecting extraterritorial receivership powers. Later, in declining to stay proceedings pending the disposition of this petition, the South Carolina Supreme Court added that it "do[es] not understand how the Dormant Commerce Clause applies to a state court order regarding a company incorporated and existing under the laws of another country." Pet. App. 48a-49a.

The South Carolina Supreme Court's grounds for attempting to distinguish *Whittaker* do not withstand scrutiny.

First, the South Carolina Supreme Court suggested that the Third Circuit's decision involved the "much narrower and far different question" whether "the full faith and credit clause may not require a state to recognize and enforce another state court judgment purporting to exercise authority over the internal affairs of a foreign corporation." Pet. App. 30a. But that is no different from the constitutional question presented here because, as the Third Circuit explained, "[r]endering full faith and credit to foreign judgments does not entail blind deference in the face of constitutional limitations." *Whittaker*, 176 F.4th at 259. It was the "constitutional limitations" embodied in the Due Process Clause, the dormant Commerce Clause, and constitutional principles of federalism that led the Third Circuit to conclude that the South Carolina receivership order could not "'divest[ ]' Whittaker's board of authority to conduct the internal affairs of the corporation." *Id.* And those are precisely the constitutional limitations that the South Carolina Supreme Court overrode in rejecting Petitioners' argument that "litigation decisions . . . are solely for [CIHL's] board of directors and cannot be lawfully made by a receiver." Pet. App. 28a.[2]

Second, the South Carolina Supreme Court attempted to cast *Whittaker*'s constitutional analysis as "dicta." Pet. App. 30a. But that purported distinction is entirely untenable. To be sure, the Third Circuit disagreed with the receiver's broad reading of his powers under the South Carolina receivership order's terms. *Whittaker*, 176 F.4th at 257. In the Third Circuit's view, the order did not "speak to . . . whether to file for bankruptcy," so that litigation decision remained with the New Jersey corporation's board by "default," subject only to "lawful displacement under New Jersey law." *Id.*

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[2] Elsewhere in the opinion, the South Carolina Supreme Court asserted that the "internal affairs of [CIHL]—its relations between its officers, directors, shareholders, and agents—are not affected by the Confirmation Order as we have modified it" because "an action to pierce the corporate veil or determine if a single business enterprise/amalgamation exists does not implicate the internal affairs doctrine." Pet. App. 27a-28a (citing *Pertuis v. Front Roe Rests., Inc.*, 817 S.E.2d 273, 278 (S.C. 2018)). State-law definitions of corporations' "internal affairs" have no bearing on the question presented here regarding the *federal* constitutional limits on state courts' powers over out-of-state corporations. In any event, the South Carolina Supreme Court's position is wrong even as a matter of state law because the *Pertuis* decision it cited addressed whether a claim of "single business enterprise/amalgamation" against three corporations implicated the internal affairs of the three defendants, not whether—as here—a corporation's *decision to file* such claims rests within the board of directors' control over the corporation's internal affairs.

But the Third Circuit then went on to explain that *even if* the receiver's understanding of his powers under the receivership order were correct, the order's "constitutional infirmities" would "provide an independent basis" for refusing to enforce it. *Whittaker*, 176 F.4th at 259. Under Third Circuit precedent, that "portion of the opinion is an alternative holding, not a *dictum*," because "where a decision rests on two or more grounds, none can be relegated to the category of obiter dictum." *Talley v. Pillai*, 116 F.4th 200, 208 n.10 (3d Cir. 2024) (internal quotation marks omitted). Courts in the Third Circuit are thus bound in future cases by *Whittaker*'s constitutional analysis. The Third Circuit's constitutional holding is just that—a holding—and one that cannot be reconciled with the decision below.

Third, the South Carolina Supreme Court emphasized that "'New Jersey law permits its courts to recognize foreign receivership orders.'" Pet. App. 29a (quoting *Whittaker*, 176 F.4th at 256). But that fact merely highlights the conflict: The *Whittaker* receiver failed to seek recognition in New Jersey of his alleged authority over Whittaker's internal affairs. 176 F.4th at 257. Instead, like here—where the receiver has not sought recognition in England and, to the contrary, has been enjoined from acting on CIHL's behalf by a U.K. court—the *Whittaker* receiver staked his supposed power to control an out-of-state corporation's litigation decisions on the South Carolina receivership order alone. *Id*. The Third Circuit squarely rejected that indistinguishable attempt by a South Carolina receiver to project extraterritorial control over an out-of-state corporation because "[t]he state of incorporation . . . enjoys exclusive authority to govern the internal affairs of its corporations." *Id.* at 259.

In short, nothing in the South Carolina Supreme Court's opinion can obscure the fact that two jurisdictions have embraced two radically different constitutional rules about the authority of the same court-appointed receiver, appointed by the same South Carolina trial court, over out-of-state corporations. In South Carolina, the receiver may seize control of an out-of-state corporation's litigation decisions—accepting service, engaging counsel, admitting liability, and asserting claims in the corporation's name, all without the approval of the corporation's board of directors. In the Third Circuit, by contrast, the same alleged extraterritorial receivership authority, claimed under an indistinguishable appointment order, is constitutionally infirm unless it has been duly recognized by the corporation's State of incorporation. Only this Court can restore uniformity on this recurring constitutional question about the fundamental limits on state-court power.

II. THE DECISION BELOW CONFLICTS WITH THIS COURT'S PRECEDENT ADDRESSING THE TERRITORIAL LIMITS ON STATE COURTS' POWER.

The South Carolina Supreme Court's decision defies this Court's longstanding recognition of the constitutionally imposed territorial limits on States' sovereignty. Time and again, this Court has recognized "'territorial limitations on the power of the respective States,'" which are a critical safeguard to "'ensure that the States, through their courts, do not reach out beyond the limits imposed on them by their status as coequal sovereigns in a federal system.'" *Fuld v. Pales-*

tine Liberation Org., 606 U.S. 1, 14 (2025) (citations omitted). By authorizing a South Carolina receiver to control the litigation decisions of an English corporation, the decision below departed from that centuries-old body of precedent.

A. For two hundred years, this Court has made clear that a State's territorial boundaries limit its sovereign authority. Chief Justice Marshall declared "without hesitation" that "the extent of jurisdiction which a state possesses" is "co-extensive with its territory." *United States v. Bevans*, 16 U.S. (3 Wheat.) 336, 386-87 (1818). Riding circuit, Justice Story similarly described as "universal" the principle that "the legislature of a state can bind no more than the persons and property within its territorial jurisdiction." *Flower v. Parker*, 9 F. Cas. 323, 324-25 (C.C.D. Mass. 1823) (No. 4891) (Story, J.). And in the receivership context specifically, this Court emphasized that "[t]he functions and authority of [a] receiver are confined to the jurisdiction in which he was appointed," *Sterrett v. Second Nat'l Bank of Cincinnati*, 248 U.S. 73, 76-77 (1918), because "the court appointing him can confer" "no extra territorial power of official action," *Booth v. Clark*, 58 U.S. (17 How.) 322, 338 (1854).

Multiple constitutional doctrines are built on that historical foundation.

1. Among them is this Court's recognition of the territorial limits on state-court jurisdiction imposed by the Due Process Clause of the Fourteenth Amendment. Shortly after the Fourteenth Amendment's ratification, this Court—echoing Chief Justice Marshall and Justice Story—explained in *Pennoyer v. Neff*, 95 U.S. 714 (1878), that "[t]he authority of every tribunal

is necessarily restricted by the territorial limits of the State in which it is established." *Id.* at 720. Thus, "[a]ny attempt to exercise authority beyond those limits" constitutes an "illegitimate assumption of power" and a "mere abuse." *Id*.

This Court subsequently modified *Pennoyer*'s strict territorial approach to personal jurisdiction in *International Shoe Co. v. Washington*, 326 U.S. 310 (1945), replacing it with one that looks to whether parties have "sufficient contacts" with the forum to satisfy "'notions of fair play and substantial justice.'" *Id.* at 316. Like *Pennoyer*, however, that doctrine is not merely a product of concern about "'inconvenient or distant litigation,'" but, instead, is "'a consequence of territorial limitations on the power of the respective States.'" *Bristol-Myers Squibb Co. v. Superior Ct. of Cal.*, 582 U.S. 255, 263 (2017) (quoting *Hanson v. Denckla*, 357 U.S. 235, 251 (1958)).

This Court recently reiterated the point in *Fuld*, where it contrasted the distinct jurisdictional reaches of the federal and state governments. In comparison with the federal government, States must operate within "more constrained sovereign spheres" and are subject to "geographical limitations" on their regulatory power. 606 U.S. at 15-16. Given those "territorial limitations on the power of the respective States," "the Federal Government—*and it alone*—[may exercise] both nationwide and extraterritorial authority." *Id.* at 15 (emphasis added; internal quotation marks omitted).

2. This Court's Commerce Clause jurisprudence also reflects the territorial limits on state power. "The power to regulate commerce with foreign nations is

expressly conferred upon Congress" and "is complete in itself, acknowledging no limitations other than those prescribed in the Constitution." *Buttfield v. Stranahan*, 192 U.S. 470, 492 (1904). In other words, the federal government's authority over foreign commerce is "supreme, unlimited, and plenary," *Gibbons v. Ogden*, 22 U.S. (9 Wheat.) 1, 46 (1824), which reflects the need for the Nation to act "'through a single government with unified and adequate national power'" "'with respect to foreign intercourse and trade,'" *Japan Line, Ltd. v. Los Angeles County*, 441 U.S. 434, 448 (1979) (citation omitted).

The Court has already applied the Commerce Clause's analogous restrictions on state regulation of interstate commerce to hold that States may not regulate the internal affairs of out-of-state corporations. In *Edgar v. MITE Corp.*, 457 U.S. 624 (1982), the Court sustained a dormant Commerce Clause challenge to an Illinois statute that imposed restrictions on certain securities transactions, including transactions involving companies incorporated in other States. *Id.* at 643-46. Illinois attempted to justify the law by invoking the internal-affairs doctrine, "which recognizes that only one State should have the authority to regulate a corporation's internal affairs," such as "matters peculiar to the relationships among or between the corporation and its current officers, directors, and shareholders." *Id.* at 645. The Court deemed that argument exactly backwards, and even "somewhat incredible," since the Illinois law applied even "to corporations that are not incorporated in Illinois and have their principal place of business in other states." *Id*. As the Court explained, "Illinois has no interest in regulating the internal affairs of foreign corporations." *Id.* at 645-46.

Edgar thus recognized the constitutional dimension of this Court's repeated admonitions that States may not "interfere with or control by injunction or otherwise the management of the internal affairs of a corporation organized under the laws of another state." *Rogers v. Guaranty Tr. Co. of N.Y.*, 288 U.S. 123, 130 (1933). Rather, state courts should "leave controversies . . . to the courts of the state of domicile." *Id.*; *see also CTS Corp. v. Dynamics Corp. of Am.*, 481 U.S. 69, 89-90 (1987) (corporations are a "product of state law," "organized under, and governed by, the law of a single jurisdiction, traditionally the corporate law of the State of its incorporation").

3. Territorial limitations on state-court authority are likewise embedded in constitutional principles of federalism. "The limits of state power are defined in view of the relation of the states to each other in the Federal Union." *Burnet v. Brooks*, 288 U.S. 378, 401 (1933). Territorial limitations are crucial to preserving the state-to-state relationship. They ensure that States "do not reach out beyond the limits imposed on them by their status as coequal sovereigns in a federal system," *World-Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 292 (1980), and thus prevent one State from "destroying the rights of other states," *United States v. Bennett*, 232 U.S. 299, 306 (1914).

Territorial limitations also prevent States from asserting the "nationwide and extraterritorial authority" the federal government "alone" may constitutionally exercise. *Fuld*, 606 U.S. at 15. Policing the boundary between state and federal authority is particularly important because extraterritorial projections of jurisdiction can "implicat[e] important foreign policy concerns." *Id.* at 18. Thus, "[g]reat care and reserve should be exercised" when it comes to assertions of state-court jurisdiction "into the international field." *Asahi Metal Indus. Co. v. Superior Ct. of Cal.*, 480 U.S. 102, 115 (1987) (internal quotation marks omitted).

Indeed, this Court has repeatedly emphasized that the Constitution vests authority "over external affairs" in "the national government *exclusively*." *United States v. Pink*, 315 U.S. 203, 233 (1942) (emphasis added); *see also* U.S. Const. art. I, § 10, cl. 1; *Chy Lung v. Freeman*, 92 U.S. 275, 280 (1875). Because the federal government must speak "with one voice in dealing with other governments," *Crosby v. Nat'l Foreign Trade Council*, 530 U.S. 363, 381 (2000), state action that creates a "likelihood" of "produc[ing] something more than [an] incidental effect" on foreign affairs is a nullity, *Am. Ins. Ass'n v. Garamendi*, 539 U.S. 396, 420 (2003).

B. The South Carolina Supreme Court broke from each of these lines of precedent in upholding a South Carolina receiver's authority to make litigation decisions for, and control the insurance coverage of, an English corporation.

According to the South Carolina Supreme Court, it is entirely acceptable for "litigation decisions, such as whether and how to sue, defend a lawsuit, or accept service," to be "made by a receiver" appointed by a state court outside the corporation's place of incorporation. Pet. App. 28a. "[F]oreign corporations," the court emphasized, "are not exempt from the reach of

[South Carolina's] receivership statute"—even when the receiver seizes control of an out-of-state corporation's litigation decisions and insurance, and has not been recognized by the jurisdiction in which the corporation is incorporated. Pet. App. 23a. The South Carolina Supreme Court's projection of extraterritorial control over the affairs of an out-of-state corporation defies the "territorial limitations on the power of the respective States" and contravenes this Court's precedent applying those fundamental limits on state power. *Bristol-Myers Squibb Co.*, 582 U.S. at 263 (internal quotation marks omitted).

The constitutional deficiencies in the South Carolina Supreme Court's decision are especially acute because CIHL is incorporated in a foreign country, setting South Carolina on a collision course with the courts of the United Kingdom. In fact, the South Carolina Supreme Court openly courted the very international discord that the territorial limitations on state-court jurisdiction are designed to avoid. It acknowledged that the High Court of Justice of England and Wales issued an injunction barring "the Receiver from acting on behalf of [CIHL] anywhere in the world" and "refused to craft a 'carve-out' to its injunction order to allow the Receiver to continue to act in South Carolina." Pet. App. 18a. But having earlier dismissed the injunction as "empty noise," *Welch v. Advance Auto Parts, Inc.*, 916 S.E.2d 320, 334 (S.C. 2025), the South Carolina Supreme Court refused to afford it any legal significance, exacerbating the "'clash between two court systems'" that the U.K. court decried, Pet. App. 18a.

It is precisely to avoid this type of state-instigated international strife that this Court has held that the

Nation must speak "with one voice"—the voice of the *federal* government—on matters of foreign commerce and foreign affairs. *Japan Line*, 441 U.S. at 449; *Crosby*, 530 U.S. at 381.

III. THIS CASE IS AN EXCELLENT VEHICLE TO RESOLVE THIS IMPORTANT CONSTITUTIONAL QUESTION.

The question presented has far-reaching legal and practical consequences. By empowering a South Carolina receiver to control the litigation decisions and insurance coverage of an English corporation, the decision below undermines bedrock restrictions on state-court authority and encroaches on the federal government's exclusive prerogatives—threatening U.S. relations with a close ally and trading partner. If left undisturbed, the South Carolina Supreme Court's decision will inevitably embolden other States to follow South Carolina's unconstitutional example.

A. The decision below is no outlier. The same South Carolina trial court that imposed the receivership on CIHL has imposed receiverships on 24 asbestos defendants, including 16 out-of-state corporations. The receivership targets have included companies incorporated in Florida, North Carolina, and Texas, as well as Canada and England. Indeed, in the wake of the decision below, the South Carolina trial court appointed Mr. Protopapas as a post-judgment receiver over CIHL in yet another asbestos case, authorizing him to "wholly administrate all the insurance assets and beneficial legal claims" of CIHL. *See* Order at 3, *Ross v. Ascend Performance Materials Operations LLC*, No. 2024-CP-40-03710 (S.C. Ct. Common Pleas, 5th Cir. Aug. 11, 2026).

South Carolina's unorthodox receivership practice has caused "asbestos claims" to "surg[e]," spawning an "onslaught of litigation in the state" by plaintiffs seeking to capitalize on the receiver's control over defendants' litigation decisions and insurance coverage. Daniel Fisher & John O'Brien, *Zombies Are on the Loose in a Carolina Courtroom. Can Anyone Stop Them?*, Legal Newsline (Sept. 23, 2024), https://tinyurl.com/mubjt3ue ("the idea a receiver could work actively to collect money for lawyers suing the company he represents" appears to be "'a first in the annals of judicial history'").

One stark example of the South Carolina courts' jurisdictional overreach is the appointment of a receiver over Payne & Keller Co., a Texas corporation that was dissolved under Texas law in 1986. *See Nat'l Union Fire Ins. Co. of Pittsburgh v. Payne & Keller Co.*, 731 S.W.3d 58, 61-62 (Tex. Ct. App. 2026). After Payne & Keller was named as a defendant in a South Carolina asbestos case, the South Carolina trial court appointed Mr. Protopapas prejudgment receiver over the company and then purported to revoke Payne & Keller's dissolution so that it could be sued without regard to Texas's three-year statutory bar on suits against dissolved corporations. *Id.* at 62-65. The receiver then filed a copy of the revocation order with a Texas state court in an attempt to domesticate the order; presented a copy of the file-stamped order to the Texas Secretary of State, prompting issuance of a Texas certificate revoking Payne & Keller's dissolution; and purported to convert Payne & Keller into a South Carolina corporation under the receiver's exclusive control. *Id.* at 65.[3] Even though a Texas appellate court subsequently held that the South Carolina revocation order was not a final decision, *see id.* at 72—which meant, in turn, that it was not subject to full faith and credit in Texas—the receiver asserts to this day that Payne & Keller remains incorporated as an active South Carolina corporation under the receiver's control.[4] It would be difficult to conceive of a more direct assault on a sister State's authority over the internal affairs of its own corporations.

The facts of this case—where a South Carolina receiver has taken control of the litigation decisions and insurance coverage of an English corporation—are equally egregious. A U.K. court has already enjoined the receiver from acting on CIHL's behalf because the receiver has no authority under English law, his appointment "ought not to be recognised by any jurisdiction which accepts that the management and affairs of CIHL ought to be exclusively in the hands of the English board," and his conduct poses a "risk of unlawful intervention in [CIHL's] affairs." U.K. Order ¶¶ 115(a), 126. The U.K. court elaborated that "the effect of the Third Party Complaint" against Petitioners "is to advance a case on behalf of CIHL which is . . . directly contrary to CIHL's interests," that the receiver "has made admissions in relation to asbestos claims . . . which are positively damaging to the interests of CIHL," and that the "duly constituted board of

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[3] *See* S.C. Sec'y of State, Business Entities Online, https://tinyurl.com/3w8m2ttk (last visited Sept. 7, 2026) (describing Frentex Enterprises Co. of Texas—the name of Payne & Keller at the time of its dissolution in 1986—as a domestic and active corporation incorporated in South Carolina).

[4] *Id.*

[CIHL] does not wish that to happen." *Id.* ¶¶ 61(d), 115(c) (emphasis omitted). The South Carolina Supreme Court's dismissive treatment of the U.K. court's injunction—which it condemned as a "shocking" affront to South Carolina—only intensified that international "'clash.'" Pet. App. 18a, 106a.

Canada too has found fault with South Carolina's extraterritorial receivership practices. When Asbestos Corporation Limited ("ACL"), a Québec company placed into receivership in South Carolina, pursued insolvency proceedings in Canada, the Canadian court remarked, in granting a stay of proceedings against ACL, that the South Carolina receivership order "is astonishing in the eyes of a court rooted in Canadian . . . judicial culture" and had "seriously compromised" ACL's "defense of the lawsuits" filed against it in the United States. *In re Plan of Arrangement or Compromise of: Asbestos Corp. Ltd.*, No. 235-11-000008-259, ¶ 23 (Canada Super. Ct. July 30, 2025).

Without this Court's review, these unconstitutional receivership practices will inevitably expand beyond South Carolina. The South Carolina courts' extraterritorial receiverships offer a roadmap for unprecedented intrusion by state courts into the internal affairs of out-of-state corporations. If South Carolina "may impose such regulations, so may other States." *Edgar*, 457 U.S. at 642 (plurality). That would leave the courts of *every* State free to hijack a corporation's litigation decisions through appointment of a receiver whenever a court perceives the corporation to have engaged in litigation-related misconduct—such as standing on a personal-jurisdiction objection and declining to appear in a foreign jurisdiction, as CIHL did here. Heading off the proliferation of interstate and international state-court receiverships is a compelling reason to grant review.

B. This case is an excellent vehicle to resolve the question presented. The split between the Third Circuit and the South Carolina Supreme Court is cleanly and starkly raised. The Third Circuit held that the Constitution bars a South Carolina receiver from controlling the litigation decisions of an out-of-state corporation absent recognition of the receivership in the place of incorporation. The South Carolina Supreme Court, by contrast, concluded that there are no constitutional impediments to the *same* South Carolina trial court's appointment of the *same* local attorney to control the litigation decisions of CIHL. In so holding, the South Carolina Supreme Court expressly declined "to follow" the Third Circuit's contrary approach. Pet. App. 29a-30a.

To be sure, a trial on the merits of the receiver's third-party claims against Petitioners awaits completion. But those further proceedings are no barrier to review. This Court treats "as final" "a state court judgment that conclusively disposes of a matter distinct from the general subject of the litigation and affecting only the parties to the particular controversy"; in such cases, "review *need not wait* for determination of the remainder of the litigation." Stephen M. Shapiro et al., *Supreme Court Practice* § 3.6 (11th ed. 2019) (emphasis added); *see also Clark v. Williard*, 292 U.S. 112, 117-18 (1934) (intervening parties' petition against receiver seeking leave to execute on funds in receivership was final even though the suit against the receiver in which the parties had intervened had not been resolved).

Because the constitutionality of the receivership over CIHL is "a separate and independent matter, anterior to the merits and not enmeshed in the factual and legal issues comprising" either the Tibbs' personal-injury claim against CIHL or CIHL's third-party claims against Petitioners, this Court can and should grant review now to head off litigation in the state court that "may all be for naught" if the receivership is unconstitutional. *Mercantile Nat'l Bank v. Langdeau*, 371 U.S. 555, 558 (1963); *accord Am. Motorists Ins. Co. v. Starnes*, 425 U.S. 637, 642 n.3 (1976) (same); *Burlington N. R.R. Co. v. Ford*, 504 U.S. 648, 650 (1992) (same); *see also Cox Broad. Corp. v. Cohn*, 420 U.S. 469, 482-83 (1975) (when a "federal issue has been finally decided in the state courts," even if "further proceedings are pending" and the challenger "might prevail on the merits on nonfederal grounds," immediate review is appropriate where "reversal . . . on the federal issue" would preclude any further litigation and where "a refusal immediately to review the state court decision might seriously erode federal policy").

CONCLUSION

The South Carolina Supreme Court upheld "an unprecedented exertion of power over a foreign corporation" that the Third Circuit refused to countenance. *Whittaker*, 176 F.4th at 259. To forestall further interstate and international discord, this Court should grant review and make clear, as a constitutional matter, that "when it comes to control over corporate decision-making, a state 'has no interest in regulating the internal affairs of foreign corporations.'" *Id.* (quoting *Edgar*, 457 U.S. at 645-46).

The petition for a writ of certiorari should be granted.

Respectfully submitted.

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