The Supreme Court Update - June 11, 2026

by Andrew Brantingham, Ian Blodger, Jessica M. Leano, and Brock Huebner

On June 11, 2026, the Supreme Court of the United States issued three decisions:

Keathley v. Buddy Ayers Construction, Inc., Case No. 25-6: This case addresses when a debtor's failure to disclose a legal claim in bankruptcy should prevent the debtor from pursuing that claim in a separate lawsuit under the doctrine of judicial estoppel. Thomas Keathley filed for Chapter 13 bankruptcy, later suffered injuries in a car accident involving an employee of Buddy Ayers Construction, and filed a personal-injury suit without initially disclosing that claim to the bankruptcy court. After Buddy Ayers Construction moved for summary judgment based on judicial estoppel, Keathley amended his bankruptcy schedules and argued that the omission had been inadvertent. The district court granted summary judgment to Buddy Ayers Construction, and the Fifth Circuit affirmed, applying circuit precedent under which a debtor's omission is not treated as inadvertent if the debtor knew the facts underlying the claim and had a hypothetical motive to conceal it. In a unanimous decision authored by Justice Jackson, the Supreme Court vacated and remanded, holding that courts must consider the totality of the circumstances when deciding whether a debtor's omission was inadvertent or mistaken for purposes of judicial estoppel, rather than limiting the inquiry to knowledge and motive. Justice Thomas, joined by Justice Gorsuch, concurred to question whether judicial estoppel has adequate grounding in statutes, procedural rules, or Supreme Court precedent. Justice Sotomayor concurred separately to emphasize that judicial estoppel may be especially inappropriate in pending bankruptcy cases where dismissal of the debtor's claim could harm creditors and give a windfall to the civil defendant.

FS Credit Opportunities Corp. v. Saba Capital Master Fund, Ltd., Case No. 24-345: This securities-law dispute addresses whether § 47(b) of the Investment Company Act ("ICA") gives private parties an implied right to sue for rescission of contracts that allegedly violate the Act. The petitioners are closed-end funds—investment companies whose shares trade on the market after an initial offering—that adopted Maryland "control-share" provisions limiting the voting power of investors who acquire large ownership stakes unless other shareholders approve those voting rights. The district

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court held that § 47(b) creates an implied private right of action for rescission and granted summary judgment to Saba, and the Second Circuit summarily affirmed. In a 6-3 decision authored by Justice Barrett, the Supreme Court reversed, holding that § 47(b) does not impliedly authorize private parties to sue for rescission of contracts that allegedly violate the ICA. The Court reasoned that § 47(b) regulates a court's remedial authority when rescission is already before it, but does not itself create a private cause of action, particularly given the ICA's SEC-centered enforcement scheme. Justice Kagan dissented, arguing that the text, structure, and statutory history support a private right of action; Justice Jackson, joined by Justice Sotomayor and in part by Justice Kagan, dissented separately, arguing that the majority disregarded Congress's intent to preserve private rescission suits under the ICA.

Abouammo v. United States, Case No. 25-5146: This criminal-venue dispute addresses the appropriate venue for prosecuting a defendant charged under 18 U.S.C. § 1519 with falsifying a document with intent to obstruct a federal investigation. Ahmad Abouammo, a former Twitter employee, allegedly gave confidential information about Saudi dissidents using the platform to a Saudi official in exchange for $300,000. When San Francisco-based FBI agents later interviewed him at his home in Seattle, Abouammo allegedly created a fake invoice to support his claim that the money was for consulting work and emailed it to one of the agents. The government prosecuted Abouammo in the Northern District of California, where the FBI investigation was based, but Abouammo argued that venue was proper only in the Western District of Washington, where he allegedly created the false invoice. The district court rejected that venue argument, and the Ninth Circuit affirmed, holding that venue was proper where the investigation that Abouammo allegedly intended to obstruct was located. In a unanimous decision authored by Justice Kagan, the Supreme Court reversed, holding that a § 1519 prosecution must be brought where the document falsification occurred, not where the federal investigation was located, because the only conduct constituting the offense is the falsification itself.