



Case Summaries June 19, 2026

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DECIDED CASES

Tex. Gen. Land Off. v. SaveRGV, Cameron County v. SaveRGV, and Paxton v. SaveRGV, ___ S.W.3d ___, 2026 WL ___ (Tex. June 19, 2026) [24-0237, 24-0407, 24-0457]

The issue in this case is whether private organizations may challenge statutes authorizing public beach closures as unconstitutional.

The Legislature enacted laws that allow governmental officials to temporarily close Boca Chica Beach to protect the public from nearby space flight activities. Organizations suing on behalf of their beachgoing members sought declarations that these statutes violate Article I, Section 33 of the Texas Constitution, which grants the public a right to use and access public beaches. The attorney general intervened to defend the statutes, and all defendants filed pleas to the jurisdiction. The trial court granted all pleas and dismissed the case with prejudice.

The court of appeals reversed, holding that at least one plaintiff had standing to sue and that plaintiffs' claims for declaratory relief are not barred by governmental immunity. The court declined to analyze the facial validity of plaintiffs' claims, reasoning that this analysis was unnecessary because plaintiffs challenged a statute, rather than governmental actions, as unconstitutional.

The Supreme Court reversed and reinstated the trial court's judgment of dismissal. It first held that the court of appeals erred by not analyzing the facial validity of plaintiffs' claims when considering defendants' immunity challenge. The Court explained that a constitutional claim must be facially valid to waive immunity whether it challenges a statute or governmental conduct. The Court then held that plaintiffs' claims are not viable because Section 33 expressly states that it "does not create a private right of enforcement." The Court concluded that this express disclaimer precludes private parties from suing to enforce the rights described in Section 33; enforcement of those rights was intended to reside solely with governmental actors. The Court rejected plaintiffs' argument that Section 33's placement in the Bill of Rights overrides this express disclaimer.

In re Tafel, ___ S.W.3d ___, 2026 WL ___ (Tex. June 19, 2026) [24-1062]

This mandamus concerns the survivability of a pending *qui tam* action under the Texas Health Care Program Fraud Prevention Act and whether the underlying suit must be dismissed under the Act's first-to-file and public-disclosure bars or abated under the doctrine of dominant jurisdiction.

Dr. Ludlow brought the underlying suit against Bear Creek alleging Medicaid fraud under the Act. Bear Creek filed a plea to the jurisdiction and alternative motion to abate arguing that Ludlow's suit must be dismissed or abated based on similar Medicaid fraud allegations raised in a still-pending 2012 action by a different relator. After Ludlow died, Bear Creek moved for summary judgment and supplemented its plea to the jurisdiction arguing that the pending claims extinguished upon his death and could not be pursued by his estate representative, who had substituted in the case. The Attorney General filed an opposition to the motion for summary judgment and argued that the claims can proceed despite the relator's death. The trial court denied all relief. Bear Creek sought mandamus relief from the Supreme Court, which set the case for oral argument.

In an opinion by Justice Busby, the Supreme Court held that pending *qui tam* claims under the Act survive because, although prosecuted by a private party, these claims are on behalf of the State and establish liabilities to the State for benefits wrongfully obtained from its health care programs. The Court also held that Bear Creek failed to establish at this stage that the suit is based on the facts underlying the still-pending 2012 action under the first-to-file bar and that the 2012 action does not constitute a prior public disclosure of the relevant fraud allegations requiring dismissal. Finally, the Court held that the doctrine of dominant jurisdiction does not require abatement in this case.

Justice Busby also filed a concurring opinion outlining relevant considerations for parties and courts addressing capacity in this context. Justice Bland filed a concurring opinion explaining the differences between the survival of the State's claim and the capacity of an executor to pursue it, which remains open on remand. Justice Young and Justice Sullivan filed a concurring opinion acknowledging outstanding questions about the Act concerning a private relator's standing and separation of powers.

Lab'y Corp. of Am. Holdings v. State, ___ S.W.3d ___, 2026 WL ___ (Tex. June 19, 2026) [25-0127]

At issue in this case is whether (1) the Texas Health Care Program Fraud Prevention Act requires a showing of materiality for alleged omissions, and (2) if so, whether summary judgment was proper because LabCorp's alleged unlawful acts were immaterial.

In 2013, NPT Associates filed a *qui tam* lawsuit against LabCorp under the Act, prompting the State to investigate LabCorp's billing practices. The State served two civil investigative demands on LabCorp seeking information regarding the alleged unlawful conduct identified in the lawsuit. In response, LabCorp produced

billing data and other documents, including a white paper and slide deck explaining LabCorp’s billing practices.

The State intervened in the NPT Associates lawsuit in 2021, alleging that LabCorp violated Texas administrative regulations by failing to offer “discounts” to Texas Medicaid that it had provided to non-Medicaid payors. By certifying that it complied with Texas law on reimbursement claims and Provider Agreements, the State alleges, LabCorp made false statements, misrepresentations, and omissions in violation of the Act.

LabCorp filed a motion for summary judgment, arguing that the State failed to establish that the alleged unlawful acts were material. The trial court granted the motion and rendered judgment for LabCorp. The court of appeals reversed and remanded, holding that (1) the Act’s omissions provision did not require a showing of materiality, and (2) there were fact issues as to the materiality of the alleged false statements and misrepresentations. LabCorp petitioned the Supreme Court for review.

In an opinion by Justice Hawkins, the Supreme Court reversed and held that the Act only imposes liability for material omissions. The Court explained that the Act does not repudiate the common-law principle that materiality is a required component of fraud claims, including those based on omissions. The Court also held that any alleged omissions, false statements, or misrepresentations were immaterial as a matter of law because LabCorp disclosed its billing practices to the State—including the purportedly unlawful conduct—yet the State continued paying LabCorp’s claims without complaint. Therefore, summary judgment was proper.

Chief Justice Blacklock and Justice Busby dissented. Chief Justice Blacklock would have held that the statutory text does not supply an objective materiality requirement for omissions, but rather requires a showing of subjective causation. Justice Busby noted his view that LabCorp misreads the regulations at issue and emphasized that the State is not estopped going forward from taking action against the alleged regulatory violations.

In re Reed, ___ S.W.3d ___, 2026 WL ___ (Tex. June 19, 2026) [25-0149]

The issue in this case is whether the trial court erred in referring a question to a federal agency under the primary jurisdiction doctrine.

Demaree Reed sued his employer, Rail Link, for negligence under the Federal Employers’ Liability Act. Rail Link moved for summary judgment, arguing that the Act does not apply because Rail Link is not a “common carrier by railroad” under the Act. Relying on the primary jurisdiction doctrine, the trial court referred the question of Rail Link’s common-carrier status to the Surface Transportation Board, a federal agency. Reed sought mandamus relief, which a divided court of appeals denied.

The Supreme Court conditionally granted mandamus relief and directed the trial court to vacate its referral order. In an opinion by Justice Huddle, the Court held that the trial court abused its discretion by referring to an administrative agency the question of Rail Link’s common-carrier status under the Act without first confirming that a clear statutory grant of authority permitted the agency to resolve that

question. The Court concluded that none of the cited statutes clearly conferred concurrent jurisdiction on the Board to decide the question, so the primary jurisdiction doctrine did not apply. The Court also held that Reed lacked an adequate remedy by appeal because of the risk of significant waste of economic and judicial resources and the potential harm to the separation of powers.

Justice Young concurred, explaining the origins of the primary jurisdiction doctrine and concluding that, in an appropriate case, the Court should reexamine whether the doctrine should be returned to its original formulation or discarded altogether.

Justice Sullivan concurred, noting reasons to be skeptical of the primary jurisdiction doctrine in general and of its application to federal agencies in particular.

Champion Food Serv., Inc. v. ProAlamo Foods, L.L.C., ___ S.W.3d ___, 2026 WL ___ (Tex. June 19, 2026) [25-0297]

The issues in this case are whether ProAlamo may recover in quantum meruit and whether the trial court erred in awarding attorney’s fees.

Champion purchased frozen meat products from ProAlamo, some of which were allegedly rancid. ProAlamo sued Champion for unpaid amounts and asserted claims for breach of contract and quantum meruit. Champion counterclaimed for breach of contract. After a jury trial, the jury found against ProAlamo on its contract claim but in ProAlamo’s favor on its quantum meruit claim, awarding \$46,396.58 in damages and \$0 in attorney’s fees. On Champion’s breach of contract claim, the jury found that ProAlamo failed to comply with “the agreement” but awarded Champion \$0 in damages. The trial court partially granted ProAlamo’s motion for judgment notwithstanding the verdict and rendered judgment awarding ProAlamo \$46,396.58 in damages for quantum meruit and \$219,674 in attorney’s fees. The court of appeals affirmed.

The Supreme Court reversed and rendered a take-nothing judgment. In a unanimous opinion by Justice Lehrmann, the Court held that ProAlamo’s quantum meruit recovery is barred as a matter of law because the provision of meat was covered by express agreements. Quantum meruit is an equitable remedy that is generally barred when the parties have a valid agreement. Here, the trial evidence conclusively demonstrated the existence of valid agreements for Champion to purchase a certain amount of meat for a certain price. Further, nothing in the record indicated that any meat was delivered outside the scope of those agreements. Because the Court rendered judgment on the quantum meruit claim, it held that ProAlamo was not entitled to recover attorney’s fees as a matter of law and did not reach Champion’s separate challenge to the amount of the fee award.

Chief Justice Blacklock filed a concurring opinion, stating that, even if ProAlamo could have recovered on its quantum meruit claim, the jury’s award of \$0 in attorney’s fees was reasonable given the mixed result at trial and the trial court’s large upward adjustment of the fee award was therefore improper.

In re J.D.H., ___ S.W.3d ___, 2026 WL ___ (Tex. June 19, 2026) [25-0588]

At issue in this case is whether a parent may pursue an appeal of a judgment terminating her parental rights if her attorney rendered ineffective assistance of counsel by failing to file a timely notice of appeal of the judgment.

Following the trial court's rendition of a final judgment terminating Mother's parental rights, her attorney filed a timely motion for new trial. Based on a mistaken belief that the motion extended the appellate deadlines, the attorney filed an untimely notice of appeal. The court of appeals dismissed the appeal for lack of jurisdiction, holding that Mother's counsel's alleged ineffective assistance would not excuse the untimely notice or vest the court with appellate jurisdiction.

The Supreme Court reversed in a per curiam opinion, holding that a parent whose counsel rendered ineffective assistance by failing to file a timely notice of appeal may pursue an out-of-time appeal. The Court first discussed the well-settled precedent holding that a parent subject to a parental termination proceeding, which implicates fundamental rights, is entitled to effective assistance of counsel. The Court then found guidance in criminal cases, in which defendants are also entitled to effective assistance of counsel and in which the courts grant habeas relief following a trial court's determination that counsel rendered ineffective assistance by filing an untimely notice of appeal. The Court concluded that a similar course must be followed in parental termination cases. However, the Court noted that an evidentiary hearing is required in order to determine whether an attorney's failure to file a timely notice of appeal constituted ineffective assistance. It also explained that the Family Code's prohibition against direct and collateral attacks on a termination judgment instituted more than six months after the judgment was signed provides a strict deadline on a parent seeking to challenge such a judgment, even when the challenge is premised on ineffective assistance of counsel.

Justice Sullivan dissented, opining that an untimely notice of appeal cannot confer jurisdiction on an appellate court in any proceeding, including a parental termination proceeding, even when the failure to timely file the notice is the lawyer's fault.

RECENTLY GRANTED CASES

Chamberlain, Hrdlicka, White, Williams & Aughtry, P.C. v. ESL Ventures, LLC, ___ S.W.3d ___, 2024 WL 3862810 (Tex. App.—Houston [1st Dist.] 2024), *pet. granted* (June 12, 2026) [24-0825]

This case concerns the scope of a directed verdict in a breach-of-contract suit.

ESL Ventures contracted with Chamberlain to consult on how Chamberlain could reduce its operating costs. Under the contract, ESL would provide its consulting services in three phases. The contract allowed Chamberlain to terminate the contract before all three phases were complete but imposed a different termination fee depending on the phase in which termination occurred. It is undisputed that Chamberlain terminated the contract early and that it did not pay a fee. But the parties dispute whether Chamberlain breached the second-phase clause or the third.

The trial court granted ESL Ventures' motion for directed verdict on Chamberlain's liability but did not specifically state which one of the three clauses of the termination-fee provision that Chamberlain breached. The parties dispute the clause on which the verdict was granted. ESL Ventures' oral motion for directed verdict centered around the second-phase clause, but the jury (which was asked to decide only the amount of damages, not the theory of liability) returned a verdict for an amount consistent with only the third-phase clause.

The court of appeals affirmed. It held that the trial court's ruling was ambiguous as to which clause of the termination-fee provision Chamberlain breached. The court then looked to the rest of the record to determine the scope of the ruling. It held that both the jury charge and the parties' closing arguments left open the possibility that the jury could award damages in an amount consistent with the third-phase clause, so the directed verdict must have permitted such recovery.

Chamberlain petitioned the Supreme Court for review, arguing that the court of appeals erred in interpreting the scope of the directed verdict based on the entire record rather than only the ground stated in ESL Ventures' motion. Chamberlain also argues that the phase in which it terminated the contract implicates the question of liability, not the amount of damages. As a result, Chamberlain concludes that the court of appeals should have held that the trial court granted a directed verdict on liability under the second-phase clause and that the verdict did not support the third-phase damages award.

The Supreme Court granted the petition.

Lexington Ins. Co. v. Exxon Mobil Corp., ___ S.W.3d ___, 2025 WL 996424 (Tex. App.—Beaumont 2025, *pet. granted* (June 12, 2026) [25-0410])

This case concerns whether an insurance policy covers personal-injury claims.

Two Exxon companies own and operate a Beaumont refinery. Brock Services provided scaffolding services for a construction project at the refinery. Brock had an umbrella policy issued by Lexington. Three Brock employees were injured at the refinery and sued Exxon, asserting common-law tort claims. Exxon brought a declaratory judgment action claiming coverage as additional insureds under the Lexington policy. Exxon settled the personal-injury claims and continued to litigate coverage. Lexington argued that two exclusions in the policy, Exclusions D and G, barred coverage. Exclusion D excludes coverage for obligations of the insured under a workers' compensation law or any similar law. Exclusion G excludes coverage for bodily injury to an employee of the insured arising out of employment by the insured or performing duties related to the conduct of the insured's business. Lexington argued that the exclusions applied because Exxon was a statutory employer of the injured workers under section 406.123 of the Labor Code. Section 406.123 says agreements between a general contractor and a subcontractor, under which the general contractor provides workers' compensation coverage to the subcontractor's employees, make the general contractor the employer of the subcontractor's employees for purposes of the workers' compensation laws.

On cross-motions for summary judgment, the trial court ruled that the exclusions did not apply. The court of appeals agreed with Lexington that Exclusion G applied and rendered a take-nothing judgment against Exxon. The Supreme Court granted Exxon’s petition for review.

Tex. Dep’t of Transp. v. Medina, ___ S.W.3d ___, 2025 WL 1037266 (Tex. App.—Houston [14th Dist.] 2025), *pet. granted* (June 12, 2026) [25-0429]

This case concerns the scope of the Texas Tort Claims Act’s partial waiver of sovereign immunity for harms caused by a “special defect” as applied to pedestrians.

Before sunrise, Alex Medina’s car broke down along Beltway 8, so he walked to a nearby store. Days later, searchers found his body in pipes underneath the street. He had fallen into an uncovered drainage opening in a grassy right-of-way about fifteen feet from the road. The opening, which lacked a protective grate, was located near a worn pedestrian footpath extending from a nearby sidewalk. Medina’s estate sued the Texas Department of Transportation, alleging that the uncovered opening was a “special defect” that waived the State’s sovereign immunity. TxDOT filed a plea to the jurisdiction, arguing that the condition was not a special defect.

The trial court denied the plea, but the court of appeals reversed and dismissed the case, holding that the drainage opening was not a special defect because it was off the roadway and did not pose a risk to ordinary users following the normal course of travel. The court emphasized that special defects are a narrow category limited to conditions similar to excavations or obstructions on roads.

Medina petitioned for review, arguing that off-road conditions may qualify as special defects if they are sufficiently near the roadway and pose an unexpected danger to ordinary users, including pedestrians using adjacent travel corridors. He also argues that the uncovered drainage opening is analogous to an excavation and presented a concealed, dangerous condition. TxDOT responds that special defects must be located on roadways and, in any event, that this condition did not endanger ordinary users of the road.

The Supreme Court granted the petition.

Morath v. Tex. State Teachers Ass’n, 717 S.W.3d 71 (Tex. App.—Austin 2025), *pet. granted* (June 12, 2026) [25-0527]

At issue in this case is the validity of an administrative rule promulgated by the Commissioner of Education.

Under the Education Code, Texas school districts that do not meet certain academic performance standards may avoid penalties by contracting with an “operating partner” to run the underperforming campus. The Code also enables the Commissioner of Education to adopt rules as necessary to implement the statute. Pursuant to that authority, the Commissioner adopted a requirement that “[t]he operating partner must have sole authority over the assignment of all district employees to the campus, including initial and final authority to approve the assignment of all district employees or contractors to the campus.” The Texas State Teachers Association brought a declaratory judgment action and moved for summary

judgment, arguing that the rule was invalid because it deprived teachers of their existing statutory rights. The trial court granted the motion. The court of appeals affirmed in relevant part, holding that the allocation of “sole” and “final” authority to the operating partner violated the statutory rights of teachers, particularly related to filing grievances and to appeal adverse decisions.

Commissioner Morath filed a petition for review. He argues that the court of appeals misconstrued the rule as granting authority over district employees at large instead of merely granting authority over district employee assignment. The Supreme Court granted the petition for review.

Quantum Plus, LLC v. Hosp. Internists of Aus., P.A., ___ S.W.3d ___, 2025 WL 420213 (Tex. App.—Austin 2025), *pet. granted* (June 12, 2026) [25-0579]

The issues on appeal concern lost-profit damages, Texas’s prohibition on the corporate practice of medicine, and attorneys’ fees.

Quantum is the exclusive provider of hospital medicine for several hospitals. To staff those facilities, Quantum executed an at-will contract with Hospital Internists to supply physicians and other medical professionals. Hospital Internists subsequently terminated the contract and sued Quantum for breach, tortious interference, and conspiracy. The suit alleged that Quantum (1) violated Texas’s prohibition on the corporate practice of medicine by exercising undue control over the physicians; (2) breached a nonsolicitation agreement; and (3) tortiously interfered with Hospital Internists’ subcontracts with physicians and medical service groups. After securing a favorable jury verdict on all claims, Hospital Internists elected its remedies for conspiracy and noncompliance with the law. The trial court rendered judgment accordingly.

On appeal, Quantum secured a partial victory in the form of reduced tort damages. The court of appeals held that damages for conspiracy are limited to the amount awarded for the underlying tort. The court therefore modified the judgment to limit Hospital Internists’ tort damages to the amount the jury awarded for tortious interference. The remainder of the judgment was affirmed.

Quantum’s petition for review argues that: (1) lost profits are not recoverable under a terminable-at-will contract; (2) the jury charge employed a legally incorrect definition for the corporate-practice-of-medicine doctrine; (3) Hospital Internists’ election to recover on one breach-of-contract claim precluded an award of attorney’s fees on the other; and (4) the court of appeals improperly rendered judgment awarding tortious-interference damages rather than remanding to allow Quantum to challenge the viability of the tortious-interference claims. The Supreme Court granted the petition for review.

In re Ford Motor Co., ___ S.W.3d ___, 2025 WL 2646870 (Tex. App.—Houston [1st Dist.] 2025), *argument granted on pet. for writ of mandamus* (June 12, 2026) [25-0865]

The issue in this case is whether the trial court abused its discretion in denying Ford’s Rule 91a motion to dismiss.

Brian Cweren visited Russel & Smith Ford, a dealership, to obtain repairs for his vehicle. After the dealership performed various repairs, Cweren inquired about the necessity of one of the repairs, which was allegedly performed pursuant to Ford's advice. During one of his visits to the dealership, Cweren was allegedly assaulted by a dealership employee. Cweren sued Ford, the dealership, and three dealership employees for breach of contract, fraud, DTPA violations, and assault. Ford filed a motion to dismiss under Texas Rule of Civil Procedure 91a. The trial court denied Ford's motion, and the court of appeals denied mandamus relief.

Ford sought mandamus relief, asking the Supreme Court to order the trial court to grant Ford's motion to dismiss. Ford argues that Cweren's claims against it fail because it did not perform any repairs on Cweren's vehicle and had no interaction with Cweren. Moreover, Ford is statutorily barred from controlling an independent dealership like Russel & Smith.

The Supreme Court granted oral argument on the petition for writ of mandamus.

In re Liberty Cnty. Mut. Ins. Co., ___ S.W.3d ___, 2025 WL 2646868 (Tex. App.—Houston [1st Dist.] 2025) [25-0880], *consolidated for oral argument with In re ClaimTECH Sols.*, ___ S.W.3d ___, 2025 WL 2646871 (Tex. App.—Houston [1st Dist.] 2025) [25-0932], *argument granted on pets. for writ of mandamus* (June 12, 2026)

In these original proceedings, an insurer and its claims administrator seek mandamus relief from orders denying their Rule 91a motions to dismiss a third-party claimant's lawsuit alleging damages from the insurer's settlement of her medical bills.

After being injured in an automobile accident, the claimant sued the other driver and filed a claim with the other driver's insurer. During the claims-handling process, the insurer's claims administrator negotiated lower payments for the claimant's medical bills with the treating hospital, and the insurer paid the negotiated amounts. Alleging that this settlement diminished the value of her potential recovery in her suit against the other driver, the claimant sued the insurer and claims administrator under various tort and contract theories. The insurer and claims administrator responded by moving to dismiss the claims under Rule 91a, arguing the claims presented no justiciable controversy and lacked any basis in law or fact. The trial court denied the motions, and the court of appeals summarily denied mandamus relief.

In the Supreme Court, the insurer and claims administrator argue that: (1) no justiciable controversy exists because the claimant assigned her rights in the medical bills to the hospital; (2) Texas law does not permit third-party claimants to directly sue an insurer until the insured's liability has been established; (3) the claims are not ripe because the alleged injuries are speculative; (4) Texas insurers have a legal right to negotiate and pay a claimant's medical bills during the claims-handling process; and (5) the pleadings provide no basis in law or fact for essential elements of the

asserted causes of action. The Supreme Court granted argument on the mandamus petitions.

United Methodist Rio Tex. Conf. Bd. of Trs. v. Alice First Methodist Church, ___ S.W.3d ___, 2025 WL 3019197 (Tex. App.—San Antonio 2025), *pet. granted* (June 12, 2026) [25-1086]

This case raises questions about the ecclesiastical-abstention doctrine.

The Book of Discipline sets out matters of doctrine, policy, and procedures for the United Methodist Church. In 2019, the Church amended the Discipline to change certain policies related to ordination, marriage, and sexuality and to set out procedures governing local congregations' disaffiliation from UMC based on disagreements with those policies. After a group of churches in the Rio Texas Conference voted to disaffiliate, the churches' counsel informed the Conference that the churches would retain all their real and personal property but would not comply with certain terms required by the Discipline, such as signing a disaffiliation agreement and paying unfunded pension amounts.

The Conference sued the local churches for a declaratory judgment that they must comply with all the Discipline's disaffiliation procedures. The churches filed a plea to the jurisdiction, arguing that the trial court lacked subject-matter jurisdiction over the suit under the ecclesiastical-abstention doctrine. The trial court granted the plea and dismissed the suit. The court of appeals affirmed, reasoning that because the Discipline is a doctrinal and church-governance document, and courts cannot resolve the parties' dispute without interpreting it, adjudication of the dispute risks judicial entanglement with ecclesiastical matters.

On petition for review, the Conference argues that the disaffiliation requirements that are the subject of the suit are entirely secular, and that, therefore, the suit can be decided through application of neutral principles of law without addressing ecclesiastical issues. Alternatively, the Conference argues that even if the ecclesiastical-abstention doctrine applies, it is entitled to judgment because it, the higher ecclesiastical authority, has determined that the local churches are obligated to pay the disputed pension payments. The Supreme Court granted the petition.