

## Forum Chess in the Texas Business Court: *In re ColossusBets Limited* and the Risks of “Bootstrap” Removal

BY Sydney Dumas and J. Mason Castaldo

### REMOVAL IS NOT A ONE-WAY DOOR.

Just before the Dallas Business Court was set to hold its first jury trial, the court granted a directed verdict on all claims. The court’s ruling came shortly after the Fifteenth Court of Appeals issued an opinion addressing a question practitioners need to understand before considering removal: once a case is properly removed to the Texas Business Court, can a party plead its way out of that court’s jurisdiction? ***The answer—at least when a plaintiff permanently abandons the jurisdiction-triggering theories—is yes.*** See *In re ColossusBets Ltd.*, No. 15-25-00150-CV, 2026 WL 392034 (Tex. App.—15<sup>th</sup> Dist. Feb. 12, 2026).

This case began after Jerry Reed (“Reed”), the winner of a Lotto Texas jackpot, alleged that Defendants “rigged” an earlier Loot Texas drawing by purchasing nearly every number combination, collecting a \$95 million prize, and thereby reducing later jackpots—including Reed’s. Reed’s original petition included allegations implicating Defendants’ corporate formation, governance, and internal affairs—issues that fall squarely within the Texas Business Courts’ jurisdiction.

Accordingly, two defendants removed the case to the Texas Business Courts, Third Division (Travis County), relying on the Business Court’s jurisdiction over actions “regarding the governance, governing documents, or internal affairs of an organization.” TEX. GOV’T CODE § 25A.004(b)(2). Reed moved for remand, arguing lack of jurisdiction, but the Business Court aptly denied the motion.

In response, Reed took matters into his own hands by amending his petition and removing any allegation, legal theory, or request for relief that required the adjudication of corporate governance, governing documents, or internal affairs, leaving no claims that fell within the Business Court’s subject matter jurisdiction. Eight minutes later, Reed filed a Renewed Motion to Remand, arguing his live pleadings no longer contained any basis for the Business Court’s jurisdiction. Defendants sought mandamus, arguing that once the Business Court properly exercises removal jurisdiction, later amendments cannot divest it.

The Fifteenth Court of Appeals rejected the “one-way door” approach and held the Business Court had authority to revisit its prior remand ruling while the case remained within its plenary power. The Court grounded that conclusion in Texas’s liberal pleading rules, which generally allow parties to amend pleadings freely up to seven days before trial (absent unfair surprise and subject to a scheduling order).

To be clear, the Court did not bless “jurisdictional ping-pong.” Instead, it relied on plaintiff’s express disclaimers to impose a serious consequence: by disavowing any jurisdiction-triggering allegations or theories, Reed implicitly waived those abandoned claims and cannot later revive them. In other words, a plaintiff can exit the Business Court by narrowing the case—but only by permanently surrendering the very allegations that supported Business Court jurisdiction in the first place.

For defendants, *ColossusBets* is a reminder that removal to the Business Court—especially removal built on a single “hook” claim intended to bootstrap other claims along—may be vulnerable if the plaintiff can (and will) amend away that hook. If that hook disappears, so can the chosen forum, even potentially late in the case.

## THE KEY TAKEAWAYS:

1. The Business Court has plenary authority to reconsider prior remand rulings.
2. A plaintiff may strategically abandon jurisdiction-triggering allegations and theories in the live pleading.
3. But abandonment has teeth: expressly disclaimed jurisdiction-triggering theories are treated as implicitly waived and cannot be later revived, preventing that “jurisdictional ping-pong.”

## ABOUT WICK PHILLIPS

Wick Phillips is a full-service business law firm serving clients across Texas and the United States. Founded in 2004, the firm has grown to over 100 attorneys, specializing in all areas of business law—complex commercial litigation and appeals, corporate transactions, labor and employment, real estate, intellectual property, bankruptcy, insurance coverage, tax, and securities—with offices in Dallas, Fort Worth, and Austin.