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Case No. Multi-Case

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

CHARLIE JAVICE, Plaintiff, v JPMORGAN CHASE BANK, N.A., et al., Defendants.	C. A. No. 2022-1179-CDW
OLIVIER AMAR, Plaintiff, v JPMORGAN CHASE BANK, N.A., et al., Defendants.	C.A. No. 2023-0040-CDW

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Chancery Court Chambers
Leonard L. Williams Justice Center
500 North King Street
Wilmington, Delaware
Thursday, July 2, 2026
1:30 p.m.

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BEFORE: HON. CHRISTIAN DOUGLAS WRIGHT, Magistrate

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TELEPHONIC REPORT OF THE MAGISTRATE ON PLAINTIFF JAVICE'S MOTION FOR UNRESOLVED ADVANCEMENT AMOUNTS AND PLAINTIFF AMAR'S MOTION FOR AN AWARD OF COSTS AND EXPENSES

APPEARANCES:

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THE COURT: Good afternoon. This is Magistrate Wright. I have a court reporter in my chambers with me.

Could I get appearances for the record, please, starting with plaintiff in Civil Action No. 2022-1179.

ATTORNEY BARLOW: Your Honor, this is Mike Barlow of Quinn Emanuel Urquhart & Sullivan on behalf of plaintiff Javice. I don't recall the specific civil action number, but that's the one we filed. I'm joined today by Judrick Fletcher of my office and Andrew Bernstein of Mintz Levin.

THE COURT: Good afternoon, everyone.

And for plaintiff Amar's counsel?

ATTORNEY KIRKHAM: Good afternoon, Your Honor. Jacob Kirkham from Kobre & Kim on behalf of petitioner Olivier Amar. I'm joined by my colleagues Jon Cogan and Alex Swette.

THE COURT: Good afternoon, everyone.

And who do we have on for the defendants?

ATTORNEY WALSH: Good afternoon, Your Honor. This is Pete Walsh of Potter Anderson on behalf of the defendants, and I'm joined by my colleagues Mike Pittenger and Lilianna Townsend. And you also have on the line Sarah Martin of Greenberg Traurig, also on behalf of the defendants; and our client representative, David Ballard, assistant general counsel of JPMorgan Chase, is on the line as well.

Thank you.

THE COURT: Thank you. Good afternoon, everyone.

All right. I know there are others on the line, but I'm not going to ask them to appear for the record.

We are here for my ruling on plaintiff Charlie Javice's Rule 88 Motion for Payment of Unresolved Advancement Amounts, docket number 145 in Civil Action No. 2022-1179, which I'll call the "Javice Action," and plaintiff Olivier Amar's Motion for Award of Costs and Expenses, docket number 91 in Civil Action No. 2023-0040, which I'll call the "Amar Action."

I do ask everyone to please put your phones on mute. For listeners on deadline, I estimate this will take between 45 minutes and one hour.

I'm going to dispense with a

description of the events giving rise to this advancement action. Chancellor McCormick gave an excellent summary in her May 19, 2023, bench ruling in the Javice and Amar Actions, so I refer listeners and readers to that transcript. It's a single transcript, but it's docket number 61 in the Javice Action and docket number 31 in the Amar Action.

For events in the underlying proceedings occurring after May 19, 2023, I refer listeners and readers to the parties' briefing in support of and in opposition to Javice and Amar's motions and publicly available news reports, of which there have been many.

I will instead limit my background discussion to these advancement cases.

On December 20, 2022, Javice filed her complaint. On January 14, 2023, Amar filed his complaint. The Court expedited proceedings in both actions, and the parties cross-moved for summary judgment on Javice's and Amar's entitlement to advancement of their litigation expenses.

On March 8, 2023, the Court heard oral argument on the cross-motions for summary judgment in both actions and then ordered that Javice and Amar receive advancement from JPMorgan for fees and expenses incurred in connection with the five different underlying matters.

I refer to the Court's implementing orders as the "Javice *Fitracks* Order" and the "Amar *Fitracks* Order," and they are, respectively, docket number 67 in the Javice Action and docket number 38 in the Amar Action.

On October 18, Javice filed her first motion to resolve disputed advancement amounts. This led to a February 14, 2024 letter decision from Chancellor McCormick, one, denying advancement for work performed in connection with six counterclaims Javice asserted in the District Court of Delaware litigation; two, denying advancement for work performed in connection with attempts to obtain insurance coverage; and, three, granting advancement for work performed for which JPMorgan had lodged "block-billing" and "round-hour" objections. JPMorgan didn't raise a similar objection regarding Amar.

On June 14, Javice amended her complaint to address the two items on which the Court had denied advancement in the February 14 letter decision. JPMorgan answered the amended complaint on

July 12. After that, the dockets in both actions largely fell quiet, save only for the background hum of appearances, withdrawals, and *pro hac vice* motions.

JPMorgan advanced nearly all of the fees Javice and Amar requested from August to December. But as their trial date grew closer and closer, the parties' dispute reemerged with a fervor. When Javice and Amar submitted their invoices for January 2025, JPMorgan objected to approximately 20 percent of the amounts sought.

As the months passed, JPMorgan objected to paying the fees sought in larger portions. From February to August, JPMorgan only paid between 50 and 65 percent of the invoices it received from Javice's counsel. Amar's invoices were given nearly identical treatment.

In September, as Javice and Amar were preparing for their sentencing, JPMorgan's objections to the bills expanded. That month, JPMorgan objected and refused to pay 77 percent of Javice's and 83 percent of Amar's legal fees.

On October 24, the turmoil hiding beneath an otherwise dormant docket emerged. In both cases, JPMorgan moved to supplement its answers to assert the implied covenant of good faith and fair dealing and unclean hands as affirmative defenses and also moved for summary judgment to terminate advancement and asked the Court to expedite consideration of the motions.

At this point, the Amar Action was reassigned to me, and I directed the parties in both actions to provide their positions and submit proposed schedules on JPMorgan's motions to supplement and for summary judgment.

In response, Javice moved for expedited consideration of her upcoming motion for payment of unresolved disputed fees and expenses. Javice and JPMorgan submitted competing scheduling proposals. The Amar Action played out in a similar manner, except Amar didn't move for expedited consideration of his fee request.

On November 7, I granted JPMorgan's request to supplement its answers in both actions. JPMorgan filed its amended answers the same day. One week later, I held a status conference with the parties and decided that I would resolve JPMorgan's motions for summary judgment after I decided Javice and Amar's motions for payment of the disputed fees.

On November 19 I entered the briefing schedules in both cases.

In the background, the parties' fee disputes continued as Javice and Amar worked on appealing their convictions. Javice and Amar continued to incur fees in October and November, and JPMorgan objected to and refused to pay over 87 percent and 95 percent of the amounts invoiced in each month, respectively.

JPMorgan justified its withholdings over 2025 because it asserted that the invoices included improper expense reimbursements -- notably, for items such as gummy bears and a birthday cake -- and that the invoices reflected impossible or implausible duplicative time entries, among a litany of similar objections.

Over the next six weeks the parties in the two actions filed a combined six briefs totaling 261 pages and 80 exhibits totaling thousands of pages. During this time, the Court also denied motions from JPMorgan to modify the *Fitracks* orders in both actions and denied Amar's motion for continued confidential treatment of certain information.

On January 29, 2026, I convened a

hearing on both parties' motions for payment of the withheld fees. On February 17, JPMorgan filed a letter enclosing some additional materials. Amar and Javice filed brief replies to that letter on February 23 and 24, respectively. I consider the matter under submission as of February 24.

To recap the dispute, in the Javice Action the current payment dispute concerns approximately $10.1 million in fees and expenses for which Javice requested advancement in monthly demands for the months of January through September 2025. See Corrected Barlow Affidavit paragraph 3, docket number 145. Javice excluded those parts of each demand containing invoices for which the parties reached agreement on payment. Corrected Barlow Affidavit paragraph 6.

In each of Javice's demands, as required by the Javice *Fitracks* order, Javice's Delaware counsel included the following certification: "Pursuant to Paragraph 6(b) of the [Javice *Fitracks*] Order, I hereby certify that: (i) I have personally reviewed the invoice or invoices; (ii) each time entry and expense falls within the scope of [Javice's] advancement rights or payment rights for Fees on Fees, as the case may be; (iii) in my professional judgment, the fees and expenses charged are reasonable in light of the factors listed in Rule 1.5(a) of the Delaware Lawyers' Rules of Professional Conduct; and (iv) the services rendered were thought to be prudent and appropriate in my professional judgment."

For the record cite, that's Exhibits 1A, 2A, 3A, and 4A to the Corrected Barlow Affidavit, docket number 145, and Exhibits 5A, 6A, 7A, 8A, and 9A, docket number 146 this time.

In the Amar Action, the current dispute concerns approximately $11.3 million in fees for which Amar sought advancement across ten monthly demands, December 2024 through September 2025. See Transmittal Affidavit of Jacob R. Kirkham, Esquire, in support of plaintiff Olivier Amar's Motion for an Award of Costs and Expenses, Exhibits 5A to 5C and 5E to 5K, docket number 91. In each demand, as required by the Amar *Fitracks* Order, Amar's Delaware counsel included a certification substantially identical to the ones submitted by Javice's Delaware counsel.

I turn now to my analysis, starting with a summary of the applicable legal standards.

Delaware advancement law teaches us

that parties receiving advancement bear the burden of justifying the fees and expenses they seek. We can look to *White v. Curo*, 2017 WL 1379332 at *4, and *Danenberg v. Fitracks*, 58 A.3d 911 at 995, for that proposition.

Embodying this principle, both the Javice *Fitracks* Order and the Amar *Fitracks* Order state JPMorgan must advance "reasonably incurred" fees and expenses. JPMorgan has emphasized this throughout these cases.

But Delaware advancement law also teaches us that "[a]dvancement is not the proper stage for a detailed analytical review of the fees, whether in terms of the strategy followed or the staffing and time committed. Typically, a good faith certification from counsel should suffice. In the absence of clear abuse, the fees should be advanced." That's from the Court's 2008 decision in *Duthie v. CorSolutions*, 2008 WL 4173850, at *2, which the Chancellor quoted in her earlier ruling in the Javice Action at 2024 WL 629368, at *3.

Determining reasonableness doesn't require the Court to examine individual time entries and disbursements or "assess independently whether counsel appropriately pursue and charged for a particular motion, line of argument, area of discovery, or other litigation tactic." *Fitracks*, 58 A.3d at 997.

"[T]he nature of the right involved ... counsels against granular review" which typically is "neither useful nor practicable" at the advancement stage. That's a combination of *Fitracks*, same pincite, and *Weichert*, 2008 WL 1914309, at *2.

The court generally defers to a receiving party's counsel's good faith certification and leaves fights about the reasonableness of fees and expenses until the indemnification stage. To overcome this deference and look past good faith certifications -- to raise the specter of bad faith -- the Court holds advancing entities to an evidentiary burden that is described as "clear abuse" and "unmistakably unreasonable." There's a long line of cases for that proposition.

First, there's *DeLucca*, where the Court explained "Unless [defendants] can show that [tactical] choices are unmistakably unreasonable, in the sense that they involve clear abuse, [defendants] should be chary about raising concerns." 2006 WL

224058, at *16, note 42.

Then there's *Horne*, where the Court said, quoting *DeLucca*, "This court will review litigation strategy decisions only if they are 'unmistakably unreasonable' and constitute 'clear abuse'." 2017 WL 838814, at *5.

Next we have *Duthie*. "In the absence of clear abuse, the fees should be advanced." 2008 WL 4173850, at *2.

And then *Agrawal* v. *X Corp.*, quoting *Duthie*. "In the absence of clear abuse, the fees should be advanced." Civil Action No. 2023-0409-KSJM, transcript at 59-60, docket number 46.

More recently, we have Vice Chancellor Laster's order in *Stevard*: "Once advancement rights attach, they continue absent 'a sufficiently egregious, outrageous, and persistent case of advancement being clearly abused.'" 2026 WL 782095, at *2.

And finally, there's Chancellor Bouchard's memorable phrasing from *Cernich*: "There's lots of case law that ... makes it clear this is not the time for a colonoscopy over somebody's invoices. What the Court's interested in is: Has there been some sort of clear abuse?" Civil Action No. 2019-0216-CB, transcript at 21-22, docket number 28.

The court hasn't defined "clear abuse" and "unmistakably unreasonable," so the Supreme Court's opinion in *Lorillard* tells us to look to dictionaries to determine the plain meaning of those terms. 903 A.2d at 738. And these dictionary definitions tell us that these terms, "clear abuse" and "unmistakably unreasonable," have an ordinary meaning approximating the most difficult burden of proof used in American law — beyond reasonable doubt.

For example, the 6th edition of *Black's Law Dictionary* defines "clear" as "Obvious; beyond reasonable doubt .... Free from all limitation, qualification, question, or short-coming." The *Cambridge Online Dictionary* is similar: "certain, having no doubt, or obvious." *Merriam-Webster.com Dictionary*: "[F]ree from doubt." *Cambridge Dictionary*: "[C]ertain, having no doubt, or obvious[.]" The *American Heritage Dictionary of the English Language*: "Plain or evident to the mind; unmistakable .... Free from doubt or confusion; certain[.]"

A similarly stringent meaning applies to "unmistakable," the adjective form of "unmistakably." For example, from the *Merriam-Webster.com Dictionary*: "[N]ot capable of being mistaken or misunderstood." From the *American Heritage Dictionary of the English Language*, "Impossible to mistake or misinterpret[.]" From *Webster's New World College Dictionary*: "[C]annot be mistaken or misinterpreted; leaving no room for misunderstanding[.]" From the *Vocabulary.com Dictionary*: "[S]o clear and obvious that it can't be confused with anything else."

In short, the words we use for the system we now have in place for advancement requires good faith in the preparation and submission of advancement demands. It doesn't require perfection. It tolerates mistakes. It tolerates negligence. It even tolerates gross negligence, as long as counsel's certification is made in good faith.

This is driven by our law. As this court has noted, there is no meaningful difference between a lack of good faith and bad faith. We can look to Chancellor Chandler's decision in *Amirsaleh*, 2009 WL 3756700 at *5, and then-Vice Chancellor

Strine's decision in *Liberty Property*, 2009 WL 224904 at *5.

And the Supreme Court has long drawn a clear line between bad faith -- meaning not in good faith -- and negligence. In *SIGA Technologies v. PharmAthene*, the court explained, "bad faith is not simply bad judgment or negligence, but rather it implies the conscious doing of a wrong because of dishonest purpose or moral obliquity; it is different from the negative idea of negligence in that it contemplates a state of mind affirmatively operating with furtive design or ill will." 67 A.3d 330 at 346.

Earlier, in the litigation over the Walt Disney Company's hiring and firing of Michael Ovitz, discussing fiduciary duties, the Supreme Court said, "[t]here is no basis in policy, precedent[,] or common sense that would justify dismantling the distinction between gross negligence and bad faith." 906 A.2d 27 at 64.

Advancement is intentionally "a lopsided dynamic favoring advancement claimants." *Sider v. Hertz Global Holdings*, 2019 WL 2501481, at *3. "This dynamic is consistent with Delaware policy — it should be easier to turn the 'advancement spigot' on than to turn it off[.]" Same pincite.

And we maintain this lopsided dynamic even if the parties receiving advancement may not have any ability to repay the amounts advanced if they are ultimately determined not to be entitled to indemnification, as JPMorgan argues is the case for both Javice and Amar. See, for example, *Tafeen v. Homestore*, 2004 WL 3053129, at *3; *Sider v. Hertz Global Holdings*, 2019 2501481, at *3; *Stevard LLC v. S-R Investments*, 2016 WL 782095, at *2.

As Vice Chancellor Laster explained in *Stevard*, "Advancements help ensure that individuals who serve in significant roles for Delaware entities have access to the resources necessary to defend themselves when charged with wrongdoing. That right carries the most importance when the individual lacks the resources to fund a defense." 2026 WL 782095, at *2.

All of this is why Chancellor McCormick once observed that "defending a company who seeks to avoid advancement obligations is one of the hardest things an attorney in this courthouse can do." That's from the October 3, 2023, *Agarwal* transcript ruling at page 54.

Viewed through the heavily pro-claimant lens that our advancement case law requires, I find JPMorgan hasn't put forward sufficient evidence to persuade me that the fees and expenses incurred by Javice's and Amar's counsel that JPMorgan challenges are so unmistakably unreasonable that they can only be the product of dishonest purpose, moral obliquity, furtive design, or ill will. In other words, JPMorgan hasn't met its challenging burden to show that the fees and expenses incurred are so unmistakably unreasonable or clearly abusive that I must conclude that counsel's certifications were made in bad faith.

Before I address some of the specific objections, I want to talk about two things. First, the parties fought over whether JPMorgan waived its right to object by failing to submit its own counsel's invoices for comparison.

This court has observed, when dealing with disputes over the reasonableness of fees and expenses, including in advancement cases, that the other side's fees and expenses are a useful comparison tool.

From *Auriga Capital Corp.*: "Unless

[defendant's] counsel fully produces their own billing records in full in support of an argument that the [plaintiffs'] bills are too high, I shall consider the [plaintiffs'] amount sought to be reasonable." 40 A.3d 839, 882, note 184.

From *Feeley*: "[I]t's a goose and gander issue .... [I]f you're going to challenge reasonableness, how much [did] you guys spend? And if there's not a gross disparity, that's great evidence that what you did is reasonable." Civil Action No. 7304-VCL, September 26, 2012, transcript at 70-71, docket 221.

From *Dalby v. Kastner*: "[T]here's just scads of case law saying if you're going to challenge reasonableness, then folks need to provide their own invoices under the goose/gander rule; otherwise, I'm going to presume [] that defendants spent roughly the same amount, if not more, in litigating that case." Civil Action No. 2025-0136-NAC, November 6, 2025, transcript at 35, docket 198.

From *Davis v. EMSI Holding*: "In the event Defendant challenges the reasonableness of Plaintiffs' fees and expenses, the Court may require that Defendant produce its own billing records in full." 2017 WL 2290061, at *2.

Other similar statements can be found in *Tariff v. Eagle Pharmaceuticals*, Civil Action No. 2024-1189-NAC, January 8, 2025 transcript at 26-27; *Ensing v. Ensing*, 2017 WL 880884, at *12 note 136; and *Dunlap v. Sunbeam Corp.*, 1999 WL 413299, at *1.

I asked JPMorgan to submit their invoices. I explained why the "why" matters in *Fitracks* fee disputes: "If you want me to find clear abuse and look past the good-faith certifications of counsel, you need to show me the scope in a comparative sense. Because, again, good faith is involved, so the process I think really matters .... [F]or defendants, your own counsel's invoices ... those typically remain among the best evidence of reasonableness. And comparison here is typically followed by our court, so I'd encourage you to consider that as part of this process." That's the November 14, 2025 transcript at pages 60 to 61.

JPMorgan waved it off, insisting this isn't required in advancement disputes and it would be an apples-to-oranges comparison here anyway because

JPMorgan isn't a party to the criminal case.

Maybe JPMorgan's counsel's invoices wouldn't end up providing a full apples-to-apples comparison for Javice's and Amar's counsel's invoices. JPMorgan isn't involved in the criminal case in the same way that Javice and Amar are. But the back-and-forth between the parties during the *Fitracks* conferral process shows that JPMorgan still played a significant role, and its counsel's invoices would have been a helpful reference in a record grasping for comparisons.

It would also be interesting to see invoices for the work done by JPMorgan's legal team to challenge Javice's and Amar's fees and expenses. The level of granularity across the objections and the binders of material submitted to me suggests a lot of time and effort. But we don't have those invoices either.

I want to take a moment to explain why the ability to compare and put things in context matters. Consider the recent attention that Davis Polk, one of the firms representing JPMorgan, received with its May 29 fee application in the Spirit Airlines bankruptcy case: $4.74 million, 55 timekeepers, and more than 2,500 hours billed in one month.

Maybe Davis Polk won't get that much; sometimes bankruptcy judges cut fees. But Davis Polk surely billed that amount because knowledgeable, experienced counsel, in the exercise of their good-faith professional judgment, thought it prudent and appropriate for that work to be done. They submitted those fees because they believed they earned them.

To anyone asking, "Was that really necessary? How many people on a team do you really need?" -- questions JPMorgan urges me to ask here -- I imagine Davis Polk's response would be "that many."

That fee application reveals a few things that make me wonder what we'd have learned from JPMorgan's counsel's invoices for the various cases involving Javice and Amar. For example, the fee application shows recently hired paralegals billing at $790 per hour, very junior associates billing at $1,410 per hour, and recently minted partners billing out at $2,695 an hour. One particularly hard-working junior associate spent the end of April billing an average of 13.8 hours per day for nine consecutive days.

Some interesting items in the task descriptions, too, resembling things that JPMorgan complains about here. For example, there are seven timekeepers who billed 9.8 hours for "updat[ing] workstreams chart" and "revis[ing] workstreams chart," which sounds a lot like the "analyzing status of workstreams" and "coordinat[ing] sentencing workstream tasks" that JPMorgan says are signs of clear abuse and shouldn't be recoverable here.

Or the two attorneys billing for reviewing "press reports" and "media updates." Only a very small amount of time, but people in a position to decide things at Davis Polk thought the work billable in the good-faith exercise of their judgment.

I'm not bringing this up because Javice's and Amar's legal trouble and the Spirit Airlines bankruptcy are directly comparable on all levels. I don't think they are. But I think the Spirit Airlines fee application shows that the ability to make good comparisons is critically important when an advancing party wants me to conclude that the receiving party is deliberately spending too much money and doing too much work in order to pad bills.

By refusing to provide its counsel's

invoices relating to the various proceedings relating to Javice and Amar, JPMorgan denied the Court potentially useful data by which it could try to assess as directly as possible the purported outrageousness of Javice's and Amar's counsel's work. JPMorgan's refusal to provide its invoices was self-defeating and leads me to infer the invoices wouldn't have favored JPMorgan here.

As I explained earlier, when a receiving party's counsel submits the required certifications stating amounts incurred were actually worked in good faith, and that the work reflects the sort of staffing decisions counsel is normally entitled to make, the burden of challenging the amounts shifts to the party seeking to avoid advancement. And it's a very heavy burden.

JPMorgan should have wanted to do everything it could to convince me it was right. It chose a different, more difficult path. The next time I ask for invoices, please hand them over.

Second, I want to talk about the fight over Javice's and Amar's total spend. JPMorgan insists these totals, and whether they exceed some theoretical but undefined ceiling on advancement, are what's really at issue here.

On page 1 of their brief in the Javice Action, they say, "[a]t issue is whether *$73.9 million* (and counting) in legal fees and expenses for one individual to defend one criminal actioned is reasonable."

They open their brief in the Amar Action with "[a]t issue is whether *$70.2 million* (and counting) in legal fees and expenses for one individual, here, Olivier Amar, to defend his one criminal action is unreasonable."

Objections to total amounts spent are not contemplated by the *Fitracks* orders here, and the vast majority of those fees and expenses have already been advanced or otherwise resolved. So total amount isn't directly relevant to Javice's and Amar's pending fee applications.

This focus on total spend led to a fight between the parties over whether the total amounts spent in other federal white collar criminal prosecutions are appropriate benchmarks. Each side, unsurprisingly, highlighted cases they believe supports their position and tried to distinguish the other side's citations. I have considered the arguments and ultimately conclude they don't prove much of anything here.

On the higher end are the prosecutions of former Enron CEO Jeffrey K. Skilling, Galleon Group founder Raj Rajaratnam, and former Hollinger International chairman Conrad Black. On the lower end are the prosecutions of former Nikola Corporation CEO Trevor Milton, former Boston Heart Diagnostics Corporation CEO Susan Hertzberg, former Theranos CEO Elizabeth Holmes, former U.S. Senator Robert Menendez, and film producer Harvey Weinstein.

The reason I find these comparisons unhelpful is twofold. First, as I noted earlier, total spend isn't a factor in *Fitracks* fee application disputes. There isn't some hypothetical outer limit on what any particular case should cost. There can be if the parties creating the advancement rights write them into the documents on a clear day, but that didn't happen here.

Second, effective comparisons from these examples were, I think, difficult to draw. Different factors and different elements within each of these cases are used by the parties to argue that Javice's and Amar's fees and expenses are well within a range of reasonableness or completely out of line.

Third, a focus on total spend ignores the incredible pace at which hourly rate increases for attorneys have outstripped inflation over the past 20 years. This has been covered extensively in the news these past 12 months.

For example, in the February 18, 2026 edition of the *Wall Street Journal*, there's an article from Erin Mulvaney with the headline "Top Lawyers' Fees Have Skyrocketed. Be Prepared to Pay $3,400 an Hour." In it, the author notes, "[a] decade ago, elite partners raised eyebrows when they raised rates to $1,500 an hour."

That followed a January 27, 2026 article by Ma Fatima in *J.D. Journal* entitled "U.S. Law Firm Sets $4,000 Hourly Rate as Big Law Fees Reach New Highs."

And in October 2025, Thompson Reuters released its 2026 Law Firm Rates Report. In it, the authors explained "[t]he legal profession has achieved what most industries can only imagine: The ability to raise prices year after year, with clients consistently agreeing to pay more. Over the past decade, law firms have pushed rates at twice (or more) the rate of inflation .... This isn't just a routine cost-of-living adjustment, rather it's a demonstration of genuine pricing power that has fundamentally reshaped how legal services firms generate revenue."

My point here is that, given the pace at which hourly rate increases for attorneys have outstripped inflation, the total rate inflation adjusted spend in cases like *United States v. Causey* — $65 million in 2004; *United States v. Black* — $50 million in 2005; and *United States v. Rajaratnam* — $40 million in 2009; is likely not just on par with what Javice and Amar have incurred in the underlying actions, it exceeds them.

In that way, perhaps, they answer JPMorgan's question whether $70 million is enough for one person's criminal defense. At least three criminal defendants in high profile cases thought the equivalent of $70 million at today's hourly rates wasn't enough. Top-shelf, bet-the-company, bet-your-freedom lawyers are expensive in any era. Comparing Javice's and Amar's cases against the other cases on the information provided proved unhelpful and inclusive.

But as I said earlier, total spend

isn't even a relevant inquiry in a *Fitracks* fee application dispute. So I'll turn to the objections.

I start with Javice's fees and then move on to her expenses before repeating the exercise for Amar. As I move through this discussion, I note that my consideration of these matters was undertaken with Rule 1.5(a) of the Delaware Lawyers' Rules of Professional Conduct in mind, within the framework laid down by our constitutionally appointed judicial officers.

JPMorgan advances more than two dozen different arguments to challenge the reasonableness of more than $8.7 million in fees for Javice. I'm not going to go through every single one of them, because JPMorgan hasn't met the high "unmistakably unreasonable" burden to merit the granular level of review it wants me to undertake, but I'll address several of them.

JPMorgan's lead argument is that five firms simultaneously being engaged for a single criminal defendant is clear abuse. I reject this argument for a couple of reasons.

First, it runs full tilt into the warning against hindsight second-guessing of staffing decisions this court has talked about before. Second, the total number of firms isn't a helpful metric. The question is whether those firms allocated responsibilities between them, whether they had a structure in place, whether responsibilities were divided. And having reviewed the papers, I am satisfied that Javice's counsel made a conscientious effort to do so. Not necessarily perfectly, but perfection isn't required.

JPMorgan's next argument is aimed squarely at Quinn Emanuel and says the firm used an excessive number of timekeepers. But like the objection to the number of firms, the total number of timekeepers isn't a particularly helpful metric.

JPMorgan insists it was told Quinn Emanuel would completely cease to perform substantive work on the case. Quinn Emanuel denies saying it. The evidence cited doesn't support the complete cessation argument JPMorgan makes. And even if Javice's legal team had originally intended to proceed that way, they're not forbidden from changing their mind.

The records submitted show that many of the Quinn partners substantially reduced their time after the Mintz Levin firm came aboard. The combined number of attorneys between Quinn Emanuel and Mintz didn't significantly increase, and the hourly rates for the Mintz lawyers working for Javice are lower than the Quinn Emanuel partners. I don't see evidence of deliberate, bad-faith bill padding.

JPMorgan next argues that the lawyers who worked for Javice worked too much; that the case was overlawyered. It says the length of trial and the number of witnesses, the antagonistic co-defendant, the number of motions, the timing and amount of the United States's document production, and JPMorgan's discovery role -- none of it justifies the amount of work Javice's lawyers did.

Javice has responses for all of the items. As this court has cautioned time and again, including earlier in this case, "[a]dvancement is not the proper stage for a detailed analytical review of the fees," including "the staffing and time committed."

With hindsight, it's always easier to say if the number of timekeepers or the number of hours worked was truly necessary. We know by then whether lines of attack or defense worked or seemed to resonate better with a judge or jury, if at all. We know who testified and in what order, what questions were asked, what evidence was needed, and so on. But lack of success has never meant that choices made during the fight were unmistakably unreasonable at the time they were made.

Why does it matter that most of Javice's trial motions were unsuccessful? What was the point of raising that? There's no evidence, just rhetoric, to suggest the motions were brought in bad faith solely to pad legal bills. Lawyers have an obligation to zealously represent their clients' interests.

Vice Chancellor Cook said it well in *Dalby* when he cautioned against "second-guessing how counsel litigates a case" and the idea that "counsel should restrict their litigation to the bare minimum of what, in hindsight, was perhaps necessary to prevail. I don't know any attorney who's vigorously representing [their] client would undertake to wear those sort of handcuffs." That's on page 34 of the November 6, 2025, transcript in *Dalby*, docket number 198.

JPMorgan's fourth line of attack

addresses six specific objections, sometimes getting deep into the weeds in the way this court has said is generally to be avoided.

Using the table on pages 4 and 5 of Javice's opening brief, which is also repeated in the Amended Barlow Affidavit, the fee amounts at issue are quite small, some measured in hundredths of a percent of the current fee dispute. This is precisely the sort of granular, nitpicky objections this court has said it doesn't want to see.

First, jury contact. This is trifling. Judge Hellerstein didn't sanction Javice for the contact, nor did he say it was bad faith. I dealt with something similar in *Orlando*, Civil Action No. 2024-0264, and see no reason to proceed differently here. The amount here was less than .08 of a percent.

Second, demonstrably false entries. JPMorgan offers only rhetoric, not evidence, to suggest bad faith here. Errors are made in billing all the time. It's nothing to be proud of, but I am confident we've all been there one time or another. Perfection isn't required.

Third, vague descriptions and

unnecessary redactions. I didn't look at every challenged time entry over the many months covered by Javice's application. The *Fitracks* process doesn't require it. Indeed, members of this court have specifically rejected the idea that we're supposed to.

Going through the parties' back-and-forth in the exhibits, I've looked at enough to say that I see nothing to suggest a consistent problem in the billing descriptions.

The examples JPMorgan chose to quote in its brief -- which JPMorgan presumably thought were the most egregious examples -- aren't particularly troubling to me. For example, "[c]onfer with team and conduct legal research re posttrial strategy." It conveys the essential elements of the activity being performed and their purpose. I think it's best practice to identify team members that were conferred with, but that isn't a universal requirement so far as I am aware.

Fourth, news monitoring. JPMorgan also challenges time spent reviewing media coverage of the trial. Javice's counsel has certified that in their professional judgment the work was thought to be prudent and appropriate. They also explained their rationale. JPMorgan disagrees as to necessity, but it isn't "unmistakably unreasonable," as JPMorgan claims.

Fifth, clerical work. As framed up by the parties, this appears to be a dispute over whether certain tasks -- like organizing docket alerts, vendor management, and breaking down a war room -- is paralegal or clerical work. Clerical work done by paralegals is recoverable, just not at a paralegal rate. A reasonable debate can be had over whether particular work is clerical or paralegal, but it's the sort of schoolyard monitoring I'm not going to get into at the advancement stage. I don't see evidence of clear abuse.

Sixth, the stayed SEC action. JPMorgan complains about having to pay fees for the SEC action, which has been stayed while the criminal case proceeds. The objection appears to be having to pay any fees, not just specific activities.

Javice explains SEC counsel has been doing work to make sure that the criminal action doesn't prejudice Javice's anticipated defense of the SEC action and to stay current on things so that there would not be a delay when the stay is lifted. This strikes me as reasonable.

I turn now to JPMorgan's "excessive and unreasonable time in the aggregate" objections. I'm not going to go through this particular argument in detail. It is hard to view some of JPMorgan's objections here as consistent with the requirement in paragraph 9 of the Javice *Fitracks* Order that JPMorgan's written responses must identify each specific time entry or expense to which JPMorgan objects.

JPMorgan concedes it applied a percentage withhold to February and March 2025 trial work "because of pervasive redundancy, duplication, and unreasonable billing."

Elsewhere, JPMorgan's objections strike me as unreasonable. For example, JPMorgan refused to advance fees for anyone involved in preparing for the post-trial motions hearing if they didn't argue the motions. It did the same for the September 2025 sentencing hearing. If someone spoke at the hearing, their fees were advanced. If they were there to assist, take notes, et cetera, no advancement.

That is an unreasonable position to take. And I say that as someone who once worked consecutive 400-plus hour months during a particularly hard-fought well-known busted merger case a quarter century ago, where I had no speaking role at any point during the two-week trial.

I'm going to stop there on fees. As I have already noted, Javice's counsel has submitted the certification we require. The certification says that counsel personally reviewed each invoice. It says each time entry falls within the scope of Javice's advancement rights. It says the amounts incurred were actually worked and that the services rendered were thought to be prudent and appropriate in counsel's professional judgment.

This shifts the burden to JPMorgan to show that the fees and expenses are unmistakably unreasonable; to show, as I explained, that there's an element of bad faith. JPMorgan hasn't done so. JPMorgan must advance the disputed fees.

I'm not ruling that all of the disputed fees will be indemnifiable if Javice is ultimately successful on the merits. That determination will be made, if necessary, at the indemnification stage.

I turn now to expenses. According to

the table on page 4 of Javice's opening brief and the accompanying affidavit of Javice's counsel, the amount in dispute is $1,455,218.75. It's broken into three categories. First, JPMorgan objects to $1,021,851.82 in expenses as untimely under the Javice *Fitracks* Order. Second, JPMorgan objects to another $364,797.77 in expenses as unreasonable. Third, JPMorgan objects to $68,569.16 as lacking necessary detail. I address the objections in that order.

Under paragraph 5 of the Javice *Fitracks* Order, "[a]ny fees and expenses incurred prior to the month for which a Future Demand is made and not included by the relevant deadline in the Future Demand are deemed waived, except to the extent [Javice] has not then received a vendor or third-party invoice[.]"

Javice concedes she didn't meet the deadline. She says it was because counsel failed to submit some vendor invoices until after April 2025, "when counsel was no longer occupied with the six-week long trial." She also says she explained to JPMorgan that "her counsel bills her in accordance with her engagement letter" and that this "do[es] not always include expenses incurred in the prior month."

She then argues that JPMorgan's objections are improper "repeated attempts to dictate or renegotiate the terms of Javice's engagement letter." Finally, Javice says JPMorgan "fails to identify any prejudice" from the late invoices and cites two cases where the court excused inadvertent failures to meet the deadline.

I disagree with Javice here. Paragraph 5 is unambiguous. If Javice's engagement letter permits delayed expense billing, that's a matter between Javice and her counsel. What matters to me are the terms of the order entered by the Chancellor, not an engagement letter I haven't seen.

And even if the Chancellor's transcript ruling in *TransPerfect* and Vice Chancellor Will's order in *Krauss* stand for the general proposition that the court will excuse inadvertent failures to comply with deadlines and to submit fee requests or objections, I'm not persuaded "we were really busy" constitutes inadvertence.

Also, I don't think *Krauss* helps Javice here. The receiving party there asked for and received the additional language regarding inadvertent failure and prejudice. See pages 15 to 16 of the

March 13, 2023 transcript in *Krauss*, Civil Action No. 2021-0714, docket 81.

Like *Krauss*, Javice could have asked the Court to modify the *Fitracks* order, but she didn't. I sustain JPMorgan's objection on this point.

Turning to the second category, Javice says the amount in dispute here is $364,797.77. Roughly two-thirds of that amount -- $245,785.83 -- reflects an invoice from DOAR Inc., so I'll start there.

JPMorgan says DOAR billed for work already being done by attorneys, paralegals, and previously engaged vendors like Legal Graphicworks, and it shouldn't have to pay for DOAR also. Javice explains that DOAR served as "the only jury consultant, the hotseat operator, and the primary graphic support" for the trial team. Counsel has certified that the expense was incurred and thought to be prudent and appropriate for the case. JPMorgan hasn't presented evidence that this staffing decision is unmistakably unreasonable.

Turning to the remaining purportedly unreasonable expenses, I'm not going to wade into the details here. At least some of the expenses JPMorgan insists are unmistakably unreasonable are, in my view, expenses which are clearly reasonable. For example, expenses for Uber Black car services can be reasonable, at least in the context where somebody on crutches recovering from a broken ankle needs a bigger vehicle — Ronald Sullivan, if I recall correctly. Also reasonable was stocking the war room with supplies like Tide pens and $64 in gummy bears.

Other expenses are ones over which reasonable people can have legitimate differences of opinion as to their propriety. By and large, the true head-scratchers were, as I understand it, resolved during the *Fitracks* meet-and-confer process. And as for what's left over, wading through it requires a granular level of review that is simply not appropriate at the advancement stage.

Counsel has provided the standard certifications, and JPMorgan has failed to persuade me that counsel certified these expenses in bad faith. JPMorgan must advance the disputed expenses. I'm not ruling that all of the disputed expenses will ultimately be indemnifiable if Javice is ultimately successful on the merits. That determination will be made, if necessary, at the indemnification stage.

The third category is $68,569.16 in expenses purportedly lacking in detail from Javice's March, June, and September 2025 demands. Neither side spent much time in the briefing addressing this topic.

Under paragraph 6.a. of the Javice *Fitracks* Order, for each expense for which Javice seeks reimbursement, she must "identify with detail the date of the charge, its nature, and the amount incurred." The dispute between the parties appears to center on what "with detail" means. Javice says that when an expense lacked detail, she provided it.

One of the expenses in this category is a $43,614 invoice from DOAR. Although this wades right into the granular level of review this court discourages at the advancement stage, I looked at the invoice. It's fine. So was Javice's explanation during the meet-and-confer process. Barlow Affidavit Exhibit 6C, paragraph 31.

Paragraph 6.a. of the Javice *Fitracks* Order allows redactions for privileged information and work product, and Javice's June 2025 demand flags there may be privileged and work product redactions. See Barlow Affidavit, Exhibit 6A at 4. So the fact that there's a redaction there isn't concerning.

As for the remaining $24,955.16 in expenses purportedly lacking detail, I am not going to perform the same level of granular review. Counsel certified the expenses under the Javice *Fitracks* Order and Rule 1.5(a) of the Delaware Lawyers' Rules of Professional Conduct and insists that detail was separately provided when invoices and receipts it didn't have it.

JPMorgan hasn't persuaded me counsel certified these expenses in bad faith, with a state of mind that affirmatively operates with furtive design or ill will. I'll credit counsel's representations and certifications during this advancement proceeding. JPMorgan must advance the disputed expenses.

I award Javice's fees on fees commensurate with her success. That is a standard, expected, and appropriate part of our advancement law.

I also grant her interest. JPMorgan says none should be due because Javice could and should have filed Rule 88 applications as soon as the Javice *Fitracks* Order allowed.

Interest is mandatory under paragraph 13. "If the Court grants an application in whole or in part, then pre- and post-judgment interest will be due at the Delaware legal rate of interest, compounded monthly, with interest starting ten [] calendar days after the date of receipt of the applicable demand."

And the timing of Rule 88 applications is entirely discretionary, the only limit being that they cannot be done more frequently than quarterly. See Javice *Fitracks* Order paragraph 12.

I turn now to Amar's application for disputed fees. As before, my consideration of these matters was undertaken with Rule 1.5(a) of the Delaware Lawyers' Rules of Professional Conduct in mind, within the framework laid down by our constitutionally appointed judicial officers.

As with Javice, JPMorgan advances a series of arguments to challenge more than $11.3 million in fees for Amar. I'm not going to go through every single one of them because JPMorgan hasn't met the high "unmistakably unreasonable" burden to merit the granular level of review it wants me to undertake, even while claiming it isn't asking me to do that. But I'll address several of them.

JPMorgan's lead argument is that Amar's counsel overlawyered the case. The argument, as with Javice, is that Amar is entitled to a defense, just not *this much* of a defense. And as I explained with Javice's application, this kind of shackling isn't an appropriate inquiry for the court during advancement. Delaware law doesn't impose bright-line limits for total spend or, for that matter, spending within any particular category of work that is typically done in litigation.

To repeat the Court's well-worn statement from *Duthie* "[a]dvancement is not the proper stage for a detailed analytical review of the fees," including "the strategy followed or the staffing and time committed."

As Vice Chancellor Cook explained in *Dalby*, "[W]hen you're trying to prepare for trial, there's no way to know ... how things are going to unfold. [So] you take discovery, in part to be prepared for what's going to come up at trial so you're not ambushed, so that you have the answers to whatever issues may come up in the course of witness testimony and so that you're ready .... [F]ailing to do that, ... the idea that I'm not going to make sure I'm fully prepared for trial ... would be deeply problematic, even setting aside any issues that might arise in professional conduct rules." That's on pages

38 and 39 of the *Dalby* transcript, docket number 198.

There was a lot of back-and-forth between JPMorgan and Amar in the briefing as to JPMorgan's culpability for the amount of work that Amar's lawyers had to do in the criminal action. I'm not going to give the criminal docket the gimlet-eyed scrutiny needed to untangle that fight -- it's inappropriate at this stage -- but I suspect the answer would turn out to be that it's somewhere between the two extremes. So I overrule the overlawyering objection.

I'll also briefly address the categories of objections JPMorgan raises to Amar's fees. I adopt the presentation format used by JPMorgan in its answering brief, so some of these categories are lumped together.

JPMorgan takes issue with the amount of time Amar's legal team spent preparing for witness examinations. Amar says this amounts to $1.98 million of the $11.3 million of withheld fees. JPMorgan insists that preparing for 60 potential witnesses is "clear abuse" and "far beyond any realm of reasonableness" because "only a subset of disclosed witnesses actually testif[ied]" at trial -- 19 in this instance -- and "not every potential witness' testimony is complicated or lengthy." According to JPMorgan, Amar's legal team, "like any other litigators, needed to assess their case and make judgment calls about reasonable preparation."

This is the sort of handcuffing that Vice Chancellor Cook criticized in *Dalby*. What competent lawyer would decline to prepare for all of the potential witnesses at trial unless they absolutely had to? Especially when the trial judge makes it clear that counsel is going to just have to adjust on the fly to belatedly called witnesses or witnesses called out of order. I am skeptical JPMorgan's own lawyers would accept such shackles or that JPMorgan would want such shackles on its own lawyers in bet-the-company litigation.

JPMorgan has failed to sustain its burden that counsel's litigation choices here are so unmistakably unreasonable as to demonstrate bad faith.

Next, JPMorgan says there were too many timekeepers in attendance at trial and post-trial hearings, including Javice's sentencing. Amar says this is $1.96 million of the $11.3 million total.

Amar explains that other than Amar's

four lead trial lawyers, trial attendance was limited to individuals who were either supporting an ongoing witness examination, waiting to support the next expected cross-examination, or those who counsel determined needed to observe a particular piece of testimony live to prepare for a future witness. He cites several examples of how the approach worked in practice. This strikes me as reasonable.

JPMorgan insists this is just "pre-textual rationalization" because of the number of timekeepers who attended closing arguments and jury deliberations, even though "no witnesses testified on these three final days of trial."

I'm not sure what to make of that argument. I don't see how it calls into question whether counsel's staffing choices about trial attendance was unmistakably unreasonable for days when there were witnesses.

I reject JPMorgan's argument that Amar waived any argument as to the withholding of fees for the post-trial argument attendance. Amar introduced that section of his opening brief by referring to "trial and subsequent post-trial hearings," and he cited to the relevant pages from JPMorgan's objections in Exhibit 6F to the Kirkham Affidavit, docket number 91. This isn't what waiver looks like.

I also reject JPMorgan's unilateral decision to cap at one attorney the number of attendees permitted at Javice's sentencing hearing. Amar explains the rationale for having multiple timekeepers there, and it isn't so unmistakably unreasonable as to call into question counsel's good faith certification. JPMorgan disagrees with the staffing decision but hasn't met its high burden needed for me to look past the attorney certification.

JPMorgan also says the total time spent by Amar's legal team reviewing documents and the trial transcript is "clear abuse." According to Amar, $992,920.58 of withheld fees falls into this category. JPMorgan's argument for not paying these fees isn't that attorneys and staff didn't do the work. Instead, JPMorgan says in its monthly objections that the work is "unnecessarily duplicative and otherwise excessive and unreasonable," and in its brief it argues it's already paid more than $7.4 million and that should be enough. It cites no case law.

Amar in his papers, including the briefing before me, explains in broad strokes the nature of the work done. Amar's counsel has certified the work was performed and, in their professional judgment, it was thought to be prudent and appropriate. JPMorgan disagrees as to necessity, but that isn't enough.

I reach the same conclusion with respect to the trial transcript review. Amar's counsel has certified the work was performed and, in their professional judgment, it was thought prudent and appropriate. JPMorgan disagrees, but that isn't enough.

The explanation Amar provides in his papers appears reasonable. And the task descriptions JPMorgan complains about -- "Analyze trial transcripts in connection with formulation of motion strategy" -- are pretty similar to task descriptions in the fee applications submitted in the Spirit Airlines bankruptcy, such as "analysis regarding financing alternatives."

Turning to Amar's post-trial submissions, this objection is $178,360.50. JPMorgan continues the same theme — Amar is spending too much, he should be able to do what he needs to do with less. JPMorgan says the work is "wasteful, constitutes clear abuse, and unreasonably inflates the cost of Amar's defense." It says, in effect, that the $3.9 million it has already advanced for Amar's post-trial work should be enough for anyone, so no further advancement is needed.

Amar explains in his papers the work was performed for Amar's motion for acquittal, motion for new trial, and a combined reply brief responding to a government answering brief that exceeded 100 pages. Counsel certified that the work was performed and believed to be prudent and appropriate. JPMorgan disagrees as to necessity, but that isn't enough.

Next up, JPMorgan objects to paying for work it deems insufficiently substantive or reflects what it deems to be overbilling. This amounts to $734,778.50 in disputed fees.

Among other things, JPMorgan wants me to conclude that one associate cannot possibly have worked an average of 19 hours a day over a three-day period. Obviously, the time entry of 24.2 hours in one day was a mistake, and it was resolved when JPMorgan brought it up. JPMorgan also attacks the billing of another associate, arguing that they are "highly improbable."

As I've said before, I've had to do that kind of extreme output in short bursts, sometimes with little to no sleep. It isn't pleasant.

I understand why 47.8 out of 48 consecutive hours raises an eyebrow, but Amar's counsel has certified they've personally reviewed these time entries and confirmed the work was done, which means they did what they thought they needed to do to confirm that the time was worked. They're putting their reputation on the line with the certifications. I haven't seen evidence that leads me to conclude there's bad faith here.

Next up is JPMorgan's objections to a series of post-trial activities relating to counsel's work preparing for and participating in sentencing-related activities, including the sentencing memorandum, loss analysis, the presentencing report objection, and immigration-related sentencing work. According to Amar, this amounts to $1,583,202.64 of the disputed fees.

As with other disputed fees, Amar's counsel has certified that the work was performed and, in their professional judgment, it was thought to be prudent and appropriate. JPMorgan disagrees as to necessity and amount, but that disagreement isn't enough. It needs to show that these staffing and litigation choices are so unmistakably unreasonable that I must conclude that they are the product of bad faith. It hasn't done so.

A couple of points here. First, the parties spent a lot of their briefing on this point arguing whether the sentence and restitution reduction achieved by Amar's counsel justified the fees incurred. This isn't something I'm interested in considering because I don't think it's a particularly relevant consideration for advancement.

I know that the amount involved and the results obtained is one of the Rule 1.5(a) factors, but I don't think it is a really significant factor during advancement. And we can look to Vice Chancellor Cook's sage comments in *Dalby* for the reasons why.

Second, on the immigration piece, Amar explains the reason the work was done, and I accept the explanation. Amar's immigration status was a factor in his sentencing, and it was something discussed at the sentencing hearing in November. That can be found at Kirkham Affidavit Exhibit 9, docket number 91.

So I am satisfied that the immigration-related work as described by Amar was appropriately incurred in his defense in the criminal action and is thus advanceable.

Turning now to specialists and analysts. This was the single biggest point of contention by dollar amount, $3.12 million. JPMorgan's fire burns particularly hot here. I find that JPMorgan's objections here fail, for a few reasons.

First, disagreements as to staffing and time commitments generally are not a valid basis to withhold advancement. The Chancellor's earlier *Fitracks* ruling in this case and the court's rulings in *Duthie*, *VEREIT*, *TransPerfect*, and other cases teach us that.

Second, JPMorgan's argument that Kobre is charging "attorney-level rates" for analysts and specialists is wrong, at least for major New York law firms. In the Spirit Airlines bankruptcy, for example, recently hired paralegals are billing at $790 an hour — more than Kobre normally charges for analysts and more than Kobre is charging for specialists at the discounted rate it offered JPMorgan and seeks here.

Third, emphasizing the total number of timekeepers, including analysts and specialists, used in Amar's defense over a multiyear time frame continues to be a red herring.

Fourth, the fact that analysts and specialists may sometimes bill for tasks that are described similarly to tasks performed by paralegals doesn't mean they are performing the same work and thus should all be billed at the lowest rate.

The same would be true, as Amar noted, for a partner and an associate both billing for drafting a brief. We can see this in the Spirit Airlines bankruptcy fee petition, where a partner billing at $2,935 an hour and an associate billing more than $1,000 less an hour billed for activity described as drafting a sales agreement.

A particularly heated argument JPMorgan makes here is that analysts and specialists are "nothing more than a program that Kobre uses to grossly inflate Amar's demands and extract profits. It is difficult to conceive of a direct-pay client agreeing to those fees."

That was a bold strategy, but it doesn't pay off for them. I asked counsel at argument, and counsel confirmed these are the rates Kobre charges to all of its clients for analysts and specialist work. "[S]tandard across the board."

Counsel also confirmed that bankruptcy courts have approved fee requests for analysts and specialists. See page 82 of the January 29 hearing transcript. Indeed, this is logical. Where Kobre clients frequently refusing to pay for analyst and specialist work, that would be a lot of weight to carry on a payroll just to use on non-direct-pay cases.

As with other disputed fees, Amar's counsel has certified the work was performed and, in their professional judgment, it was thought to be prudent and appropriate. JPMorgan disagrees as to necessity and amount, but that disagreement isn't enough. It hasn't shown these fees are so unmistakably unreasonable they can only be the product of dishonest purpose or bad faith. I award the amount sought by Amar.

JPMorgan also objects to paying fees

attributable to hourly rate increases for timekeepers where the hourly rate increase exceeded 10 percent. I deny this objection. I am aware of no basis in our law for this arbitrary cap. JPMorgan doesn't identify one.

Rate increases are a part of the legal business. There is no default that a timekeeper's hourly rate will remain the same through the life of a case. There is no default that hourly rate increases cannot exceed a certain percentage, even if the higher hourly rate is used in other matters the timekeeper is working on. There is no default that an associate receiving a promotion to counsel or partner remains locked in at their associate rate. There is no serious argument otherwise.

I note also that the Frank bylaws don't impose any restriction on hourly rate restrictions, and the new hourly rates are lower than the rates that Davis Polk is charging in the Spirit Airlines bankruptcy. Compare the $1,975 hourly rate of new Kobre partner Alexandria Swette to the $2,695 hourly rate of the Davis Polk restructuring attorney who became a partner in 2025. It's also lower than Davis Polk's $2,463 blended hourly rate for partners in non-bankruptcy matters.

I award Amar the $776,272.25 in withheld fees attributable to hourly rate increases.

Now to Amar's expenses. I'll spend only a little time on this topic. Amar isn't seeking payment on any withheld expenses in this application, and I'm not going to engage in fact-finding on issues that Amar hasn't placed before me.

I award Amar fees on fees commensurate with his success on the motion. I also award him interest as required by paragraph 13 of the *Fitracks* order.

As a final point, I want to note that in reaching my rulings here, I reviewed, but didn't rely on, the Swette declaration. Nor did I rely on the substance of Mr. Andres' presentation during the January 29 hearing. The *Fitracks* process for these cases doesn't contemplate either sort of supplementation.

Also, I know Javice's Third Motion for Payment of Unresolved Advancement Amounts is pending. I ask counsel for Javice and JPMorgan to meet and confer, see if today's ruling resolves any of the pending areas of dispute in the third application, and to advise the Court. I will resolve any remaining issues as promptly as possible, hopefully by written order.

This concludes my ruling on Javice's Rule 88 Motion for Payment of Unresolved Advancement Amounts, docket number 145 in the Javice Action, and Amar's Motion for an Award of Costs and Expenses, docket number 91 in the Amar Action. I ask counsel for Javice and Amar to submit proposed orders to implement these rulings upon notice to JPMorgan.

This is a report under Court of Chancery Rule 144(b)(1). Under Court of Chancery Rule 144(c)(2)(A), exceptions to this report are stayed pending issuance of a final report in these cases.

Counsel, any questions? I'll start with Javice's counsel.

ATTORNEY BARLOW: Thank you, Your Honor. It's Mr. Barlow. I don't have a question about the ruling, but I have one issue that I might be so bold as to raise, given our path forward from here. And perhaps this is an issue on which I might be able to reach agreement with Mr. Walsh.

But in considering paragraph 13 of the

Fitracks order and the follow-on application for fees on fees, I note that the language of paragraph 13 provides, "in addition, in parallel with the next Advancement Demand, Plaintiff may demand reimbursement for the fees and expenses incurred in connection with the granted applications."

And it occurred to me while listening to Your Honor's ruling that the reference to the next advancement demand gave rise to a question for me about whether or not that next advancement demand would be the advancement demand for June, due July 10, or the advancement demand for July, that is due on or about I guess August 10.

And I think we're just in a situation where if we have to seek fees on fees by next -- by Friday of next week for the work done in connection with preparing this application to Your Honor, it's going to be a heavy lift between now and next Friday.

So I didn't know if Your Honor be willing to offer some guidance on what "the next advancement demand" means in the context of paragraph 13; or, if Your Honor would direct, I'm happy to work with Mr. Walsh to figure that out.

THE COURT: Well, I think in the first

instance -- thank you, Mr. Barlow -- I'd ask you to confer with Mr. Walsh and report back.

ATTORNEY BARLOW: Thank you, Your Honor.

THE COURT: All right. Let me turn now to Amar's counsel. Mr. Kirkham.

ATTORNEY KIRKHAM: Your Honor, nothing from us, and we will do the same and confer with Mr. Walsh on the timing for our fees for fees application. Thank you.

THE COURT: Okay. And Mr. Walsh?

ATTORNEY WALSH: Your Honor, nothing from us, and again, we'll confer with Mr. Barlow and Mr. Kirkham about the issue that Mr. Barlow raised.

THE COURT: Well, I appreciate that.

I thank everyone for their patience, especially our court reporter, and I wish everyone a happy semiquincentennial.

We're adjourned.

(Proceedings concluded at 2:38 p.m.)

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CERTIFICATE

I, JULIANNE LABADIA, Official Court Reporter for the Court of Chancery for the State of Delaware, Registered Diplomate Reporter, Certified Realtime Reporter, and Delaware Notary Public, do hereby certify that the foregoing pages numbered 3 through 62 contain a true and correct transcription of the report of the Magistrate as stenographically reported by me at the hearing in the above cause before the Magistrate of the State of Delaware, on the date therein indicated.

IN WITNESS WHEREOF I hereunto set my hand at Wilmington, this 4th day of July, 2026.

/s/ Julianne LaBadia

Julianne LaBadia
Official Court Reporter
Registered Diplomate Reporter
Certified Realtime Reporter
Delaware Notary Public

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2022-1179-CDW	CONF ORD 6.13.2023/Charlie Javice v. JPMorgan Chase Bank, N.A., et al.
2023-0040-CDW	CONF ORD 7.10.2023/Olivier Amar v. JPMorgan Chase Bank, N.A.