

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

Frank Krasovec and Zohar Ziv v. Siddharth Jawahar

Krasovec v. Jawahar · No. 25-1275-CFC-SRF · Decided February 17, 2026

SUMMARY

The United States District Court for the District of Delaware denied without prejudice defendant Siddharth Jawahar’s motion to stay a breach-of-contract and indemnification action pending resolution of related criminal proceedings. The court concluded that Jawahar’s guilty plea mooted the asserted Fifth Amendment basis for a stay and that plaintiffs had not shown sufficient grounds for an alternative stay pending motions to dismiss in a related action. The order was issued under 28 U.S.C. § 636(b)(1)(A), Federal Rule of Civil Procedure 72(a), and the District of Delaware Local Rules.

CASE DETAILS

COURT	United States District Court for the District of Delaware
WRITING FOR THE COURT	Sherry R. Fallon
JURISDICTION	United States District Court for the District of Delaware
DECIDED	February 17, 2026
DOCKET	25-1275-CFC-SRF
DISPOSITION	other
PROCEDURAL POSTURE	The court considered Defendant Siddharth Jawahar's motion to stay the civil action pending resolution of his criminal proceedings, as well as Plaintiffs' alternative request to stay the action pending resolution of motions to dismiss in a related civil case.
STANDARD OF REVIEW	A district court has broad discretion in deciding whether to stay a civil action.
PRECEDENTIAL VALUE	Nonprecedential memorandum order
PARTIES	Frank Krasovec, Zohar Ziv v. Siddharth Jawahar

TOPICS

- civil procedure
- fifth amendment
- motions to dismiss
- breach of contract
- commercial litigation

PRACTICE AREAS

- civil procedure
- contracts
- commercial litigation
- criminal procedure

QUESTIONS PRESENTED

1. Whether the civil action should be stayed for twelve months pending resolution of Defendant's criminal proceedings based on the asserted risk that proceeding would prejudice his Fifth Amendment rights.
2. Whether the civil action should be stayed pending resolution of Plaintiffs' motions to dismiss in the related Richardson Action.

HOLDINGS

1. A stay of the civil action was unwarranted because Defendant's subsequent guilty plea mooted the asserted Fifth Amendment basis for the requested stay.
2. A pending motion to dismiss does not justify staying litigation absent well-founded reasons supporting a stay; Plaintiffs' alternative request was therefore denied without prejudice.

KEY QUOTATIONS

“In deciding whether to stay a civil case pending the resolution of a criminal matter, courts generally consider: “(1) the extent to which the issues in the civil and criminal cases overlap; (2) the status of the criminal proceedings, including whether any defendants have been indicted; (3) the plaintiff's interest in expeditious civil proceedings weighed against the prejudice to the plaintiff caused by the delay; (4) the burden on the defendants; (5) the interests of the court; and (6) the public interest.”” (¶ 4)

“A pending motion to dismiss does not support a stay of the litigation absent well-founded reasons for staying the case.” (¶ 6)

FACTUAL BACKGROUND

Plaintiffs alleged that they invested money with Defendant and solicited funds from other potential investors on his behalf beginning in January 2019. After learning of a Texas State Securities Board disciplinary order against Defendant, Plaintiffs entered into an Omnibus Agreement concerning divestment and protection of investments, and they alleged that Defendant failed to comply with that agreement. Plaintiffs also sought indemnification for lost investments, legal fees, and expenses arising from claims asserted by other investors in a related action. Defendant sought a stay based on his criminal proceedings, but he entered a guilty plea to three wire-fraud counts shortly after filing the motion.

PROCEDURAL HISTORY

Plaintiffs filed this breach-of-contract and indemnification action in the Middle District of Tennessee on April 5, 2024. The action was pending while Defendant faced criminal proceedings in the Eastern District of Missouri; Defendant was indicted, later pleaded guilty to three counts of wire fraud, and then sought a twelve-month stay. The action was before the District of Delaware when the court denied both Defendant's stay request and Plaintiffs' alternative stay request without prejudice.

DISPOSITION

other

REMAND INSTRUCTIONS

No remand. Defendant's motion to stay and Plaintiffs' alternative request to stay pending resolution of motions to dismiss in the Richardson Action were both denied without prejudice.

CASES CITED

- Dentsply Int'l Inc. v. Kerr Mfg. Co., 734 F. Supp. 656, 658 (D. Del. 1990)
- Maloney v. Gordon, 328 F. Supp. 2d 508, 511 (D. Del. 2004)
- Richardson, et al. v. Jawahar, et al.

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