

DELAWARE COURT OF CHANCERY

Arif Ahmed v. JPMorgan Chase & Co. and J.P. Morgan Securities LLC

C.A. No. 2025-1133-DG · No. C.A. No. 2025-1133-DG · Decided June 10, 2026

SUMMARY

The Delaware Court of Chancery resolves Defendants’ exceptions to a magistrate’s report concerning Plaintiff’s entitlement to advancement of legal fees. The court adopts the report, rejects a proposed 9% transaction-based allocation cutoff in favor of the Fitracks framework, overrules the exceptions, and remands for further proceedings.

CASE DETAILS

COURT	Delaware Court of Chancery
WRITING FOR THE COURT	Kathaleen St. J. McCormick, Chancellor
JURISDICTION	Delaware Court of Chancery
DECIDED	June 10, 2026
DOCKET	C.A. No. 2025-1133-DG
DISPOSITION	remanded
PROCEDURAL POSTURE	The Chancellor reviewed Defendants' exceptions to Magistrate Gibbs's Report resolving the parties' cross-motions concerning Plaintiff's entitlement to advancement.
STANDARD OF REVIEW	De novo review of the Magistrate's factual and legal findings.
PRECEDENTIAL VALUE	published
PARTIES	JPMorgan Chase & Co., J.P. Morgan Securities LLC v. Arif Ahmed

TOPICS

- corporate law
- civil procedure
- commercial litigation
- remedies

PRACTICE AREAS

- corporate law
- commercial litigation
- civil procedure
- remedies

QUESTIONS PRESENTED

1. Whether the Magistrate erred by rejecting Defendants' proposed 9% transaction-based cutoff and applying the traditional approach to allocation of advancement fees.
2. Whether the Magistrate improperly treated the Investigations as lacking evidence supporting entitlement to advancement rather than as matters for which the available evidence was insufficient to allocate fees.

HOLDINGS

1. The Magistrate did not err in rejecting Defendants' proposed 9% transaction-based cutoff. Allocation of advancement fees is properly addressed through the Fitracks framework, under which Plaintiff's counsel certifies in good faith which work relates to matters covered by advancement.
2. Insufficient evidence concerning the Investigations affected the allocation of fees, not Plaintiff's entitlement to some advancement. The Magistrate properly ordered the parties to confer on a Fitracks framework for allocating fees incurred in connection with the Investigations.

KEY QUOTATIONS

“Properly understood, the Report held that insufficient evidence exists to allocate fees incurred in connection with the Investigations.” (2)

“For that reason, the Magistrate appropriately ordered the parties to confer on a Fitracks framework for allocating fees among claims.” (2)

FACTUAL BACKGROUND

The dispute concerns Plaintiff's entitlement to advancement of fees incurred in connection with certain investigations. Defendants did not dispute that Plaintiff was entitled to some degree of advancement, but argued that only claims representing 9% of the transactions warranted advancement. The Magistrate instead applied the traditional allocation approach and ordered the parties to confer on a Fitracks framework for allocating fees among claims.

PROCEDURAL HISTORY

Magistrate Gibbs issued a Report dated January 21, 2026, addressing the parties' cross-motions concerning advancement and ordering the parties to confer regarding a Fitracks framework for allocating fees among claims. Defendants took exceptions, arguing that the Magistrate should have applied a 9% transaction-based cutoff. The Chancellor reviewed the Magistrate's factual and legal findings de novo, adopted them in full, overruled the exceptions, and remanded for further proceedings consistent with the Report.

DISPOSITION

remanded

REMAND INSTRUCTIONS

The matter is remanded to Magistrate Gibbs for further proceedings in accordance with the Magistrate's Report, including proceedings concerning a Fitracks framework for allocating fees among claims.

CASES CITED

- DiGiacobbe v. Sestak, 743 A.2d 180, 184 (Del. 1999)
- Danenberg v. Fittracks, Inc., 58 A.3d 991 (Del. Ch. 2012)

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