

## High-Profile US Business Court Strengthens Standing Through Substantial Attorney Compensation



In a remarkable display of the rewards awaiting litigators engaged in high-stakes legal battles, a group of attorneys secured a windfall through a \$1 billion settlement with Dell Technologies Inc. The outcome underscores the unique approach of Delaware's Chancery Court, renowned for handling M&A disputes, in compensating legal teams pursuing intricate and high-risk cases.

On July 31, Delaware's Chancery Court approved a staggering \$266.7 million in attorney fees, constituting 27% of the largest settlement ever recorded in the court's history. The legal team leading this triumph hails from Quinn Emanuel and Labaton Sucharow, both esteemed names in the realm of plaintiffs' litigation. Notably, this fee allocation ranks as the second-highest attorney compensation issued by the Delaware court, reaffirming its stature as a focal point for corporate legal confrontations.

This substantial remuneration serves as a striking departure from the practices observed in federal courts, where fee percentages tend to diminish as overall settlement amounts increase. The Chancery Court's distinctive methodology aligns incentives for legal practitioners with the pursuit of comprehensive cases that serve as effective deterrents against corporate misconduct.

UCLA School of Law professor James Park highlighted the court's approach, stating, "To some extent, they have a bit of pressure to make sure plaintiffs' attorneys have incentives to bring cases in Delaware. In the cases that do have substantial merit, they are willing to give out very substantial fees."

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The case leading to the Dell settlement originates from a class action filed in connection with a contentious 2018 stock conversion. This victory holds significant implications for Quinn Emanuel and Labaton Sucharow, known for their commitment to plaintiffs' causes on a contingency basis. Notably, Quinn Emanuel is concurrently entangled in a legal dispute within Washington's federal court, contesting a separate \$185 million fee related to its involvement in class-action lawsuits that resulted in a \$3.7 billion payout by the US government to health insurers.

However, the Dell settlement did not unfold without challenges. Eight investment funds, constituting class members in the Dell case, raised objections against the attorneys' initial fee request of \$285 million. Notably, Pentwater Capital Management, at the forefront of the objection, refrained from offering comments on the matter.

Quinn Emanuel and Labaton Sucharow declined to provide statements regarding the settlement and fee award.

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In a legal landscape where incentives often steer legal professionals towards conventional and low-cost undertakings, the Chancery Court's approach highlights its commitment to encouraging intricate and impactful litigation. By offering substantial compensation for cases of substantial merit, the court fosters an environment conducive to promoting corporate responsibility and accountability.

The Delaware Chancery Court's recent allocation of \$266.7 million in attorney fees following the \$1 billion Dell settlement underscores its distinct stance on compensating legal practitioners. This significant remuneration underscores the court's significance in corporate litigation and accentuates its dedication to motivating attorneys to engage in far-reaching cases that curtail corporate wrongdoing.

**Don't be a silent ninja! Let us know your thoughts in the comment section below.**