

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

STAGE STORES, INC., ET AL.¹

DEBTORS

Chapter 11

Case No. 20-32564

Jointly Administered

**UNITED STATES TRUSTEE'S MOTION FOR RELIEF FROM
JUDGMENT OR ORDER PURSUANT TO FEDERAL RULE OF CIVIL
PROCEDURE 60(b)(6) AND FEDERAL RULE OF BANKRUPTCY
PROCEDURE 9024 APPROVING ANY JACKSON WALKER APPLICATIONS
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Kevin Epstein, United States Trustee for Region 7 (“United States Trustee”), moves for relief under Rule 60(b)(6) from any orders approving any applications for compensation and reimbursement of expenses filed by Jackson Walker LLP (“Jackson Walker”) because compelling reasons justify relief.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900). The Debtors’ service address is: 2425 West Loop South, Houston, Texas 77027.



I. PRELIMINARY STATEMENT

1. Disclosure and transparency are paramount to the integrity of the bankruptcy system. The Bankruptcy Code grants courts extraordinary powers to modify relations between debtors and their creditors to address a debtor’s financial distress, and Congress passed the Bankruptcy Code pursuant to its constitutional powers to establish “Laws on the subject of Bankruptcies.” U.S. CONST. art. I, § 8, cl. 4; 11 U.S.C. § 101, *et seq.* Because of these sweeping powers affecting a multiplicity of interests,² both the Bankruptcy Code and the Bankruptcy Rules command transparency by imposing multiple disclosure obligations on debtors and their professionals.

2. The bankruptcy system was significantly compromised in this and other bankruptcy cases by an undisclosed intimate relationship between Judge David R. Jones and Elizabeth Freeman (“Judge Jones” and “Ms. Freeman,” respectively)—a partner (now former) at Jackson Walker. Judge Jones’s secret relationship with Ms. Freeman created an unlevel “playing field” for every party in interest in every case Jackson Walker had before Judge Jones, including this one, and in Jackson Walker cases mediated by Judge Jones. In this case, Jackson Walker was employed as debtors’ counsel with court approval and later awarded compensation and expenses for the services rendered that Judge Jones approved.

3. Judge Jones resigned after the Fifth Circuit filed a formal ethics complaint against him on October 13, 2023, that alleged he was in a long-term intimate relationship—and had lived for years—with Ms. Freeman while she was a partner at Jackson Walker. Ethics Complaint,

² These interests include debtors, employees, contract counterparties, equity investors, and a broad swath of creditors, including pensioners and pension funds, landlords, vendors, bondholders, banks, and governments at every level, among others.

attached as Exhibit 1.³ “Judge Jones did not recuse in Jackson Walker LLP cases nor did he disclose his relationship with Elizabeth Freeman to the parties or their counsel in which Jackson Walker LLP appeared before him.” Ethics Complaint, p.2. That relationship became publicly known when reported by Business Insider on October 6, 2023, and confirmed by Judge Jones the next day to the Wall Street Journal.

4. Bankruptcy Rule 5004(a) provides that a “bankruptcy judge shall be governed by 28 U.S.C. § 455,” which mandates disqualification of a judge “in any proceeding in which his impartiality might reasonably be questioned.” 28 U.S.C. § 455(a). Bankruptcy Rule 5004(a) further provides that a “bankruptcy judge shall be . . . disqualified from presiding over the proceeding or contested matter in which the disqualifying circumstance[] arises.” In addition, Rule 5004(b) specifically rendered Judge Jones disqualified from awarding compensation “to a person . . . with whom the judge is so connected as to render it improper for the judge to authorize such compensation.”

5. Because of Judge Jones’s failure to recuse himself from presiding over cases where Jackson Walker was counsel for the debtors-in-possession while Ms. Freeman was both living with him and a partner at Jackson Walker, all orders awarding fees and expenses are tainted and should be set aside under Rule 60(b)(6) because this new information revealing a compromised process is a “reason that justifies relief.” Vacating all orders granting fees and expenses in this case would allow parties in interest, including the United States Trustee, to object to, and to seek

³ *Complaint Identified by the Chief Judge of the Fifth Circuit Court of Appeals Against United States Bankruptcy Judge David R. Jones, Southern District of Texas, Under the Judicial Improvements Act of 2002*, Complaint No. 05-24-9002 (5th Cir. Oct. 13, 2023). Under Canon 3 of the Code of Judicial Conduct and its Commentary, cohabiting intimate relationships are treated as spousal relationships.

Although the Ethics Complaint said that Ms. Freeman was a partner in Jackson Walker “from at least 2017,” the United States Trustee does not have confirmation of the date she joined the firm. A recent news story stated that she joined Jackson Walker in 2018. Alexander Gladstone & Akiko Matsuda, *Texas Law Firm Didn’t Disclose Possible Conflict Involving Bankruptcy Judge*, Wall Street Journal Pro, Oct. 27, 2023, attached as Exhibit 2.

the return of, fees and expenses awarded to Jackson Walker under that tainted process. Judge Jones presided over at least 26 cases, and perhaps more, where he awarded Jackson Walker approximately \$13 million in compensation and expenses while Ms. Freeman was both a Jackson Walker partner and living with him in an intimate relationship. This includes approximately \$1 million in fees billed by Ms. Freeman herself in 17 of those cases. *See infra* ¶¶ 39–41.

II. LEGAL FRAMEWORK

6. Upon the filing of a chapter 11 petition, the debtor becomes a debtor-in-possession (“DIP”) with fiduciary duties to its creditors. *Barron & Newburger, P.C. v. Tex. Skyline, Ltd. (In re Woerner)*, 783 F.3d 266, 271 (5th Cir. 2015) (citing 11 U.S.C. §§ 1101, 1106–08); *Commodity Futures Trading Comm’n v. Weintraub*, 471 U.S. 343, 355, 105 S. Ct. 1986, 1994 (1985)). All of the DIP’s interests in property or other rights become part of the bankruptcy estate, 11 U.S.C. § 541, and creditors have certain legal rights to be paid from those estate assets once a plan of reorganization is confirmed or sometimes earlier for creditors having a lien or other security interest. A DIP may continue to do business using estate assets but must seek court approval for any actions that fall outside the scope of ordinary business activities. 11 U.S.C. § 363. Lawyers representing DIPs must have their employment approved by the bankruptcy court and must satisfy a host of obligations, including requirements to disclose all “connections” and to satisfy ethics standards, among others, prohibiting conflicts of interest. 11 U.S.C. §§ 101(14), 327; Fed. R. Bankr. P. 2014. Once employed, a DIP’s lawyers’ reasonable and necessary compensation may be paid from the estate after counsel files a detailed application disclosing the work done and by whom along with their hours and fees billed; the court approves applications on an interim basis during the case, 11 U.S.C. § 331, and on a final basis at the case’s conclusion. 11 U.S.C. § 330. Because compensation for DIP lawyers is afforded priority of payment as an administrative

expense from the estate, every dollar of lawyer compensation is paid before any recovery to creditors and may reduce the creditors' recoveries in the case. *See* § 11 U.S.C. § 503(b)(2).

III. STATEMENT OF FACTS

A. Relevant Actors

7. Elizabeth Freeman is a licensed Texas attorney residing in the State of Texas. Ms. Freeman was previously a partner at Jackson Walker and currently practices with the firm she founded, The Law Office of Liz Freeman, PLLC.

8. Jackson Walker is a law firm with multiple offices in the State of Texas.

9. In 2011, the U.S. Court of Appeals for the Fifth Circuit ("Fifth Circuit") appointed Judge Jones as a bankruptcy judge for the Southern District of Texas. *See* 28 U.S.C. § 152(a)(1), (2).

B. Judge Jones Creates the Complex Case Pool that No Longer Randomly Assigns Mega-Cases to All SDTX Bankruptcy Judges

10. In 2016, while Judge Jones was Chief Judge, he signed several orders reallocating cases and allowing chapter 11 cases designated as complex to be assigned only to him and Judge Isgur on the newly created complex case panel. *See* General Order 2016-1 (March 3, 2016) (first in a series of three orders to establish complex case panel and reallocate cases); General Order 2018-1, Order Regarding Complex Case Assignment (Jan. 29, 2018).⁴

11. As of January 1, 2023, Judge Lopez replaced Judge Isgur on the complex case panel.

⁴ The complex panel assignment rules have been widely criticized by those concerned about the effects of "judge-shopping" when cases are not randomly assigned to all judges within a district. Adam J. Levitin, *Judge Shopping in Chapter 11 Bankruptcy*, 323 UNIV. OF ILL. L. REV. 351 (2023). "[J]udge shopping has undermined the systemic integrity of . . . chapter 11," and "signals to creditors that the debtor believes the judge is biased in its favor . . . even without any actual judicial bias. . . ." *Id.* at 354–55.

12. Judge Isgur rejoined the panel on October 13, 2023, upon Judge Jones's withdrawal from the panel. *Infra* ¶ 34.

C. Jackson Walker's and Ms. Freeman's Practice Before Judge Jones

13. Ms. Freeman is a former law clerk to Judge Jones and was a partner at Jackson Walker "from at least 2017 until December 2022." Ethics Complaint, p.1. Jackson Walker has regularly appeared in cases before Judge Jones since Ms. Freeman joined the firm sometime in 2017 or 2018, including cases on which Ms. Freeman worked and billed fees. *Id.* at 2; *see also supra* n.3.

14. Ms. Freeman left Jackson Walker in December 2022 and opened her own practice, The Law Office of Liz Freeman, PLLC. *Id.* at 1–2.

15. While Ms. Freeman was a partner at Jackson Walker, the firm also represented parties in cases mediated by Judge Jones, and Ms. Freeman worked and billed on many of those cases, as well.

16. Jackson Walker has also retained and billed for Ms. Freeman as a contract attorney since she resigned from Jackson Walker. *E.g., In re GWG Holdings, Inc.*, No. 22-90032, ECF No. 2246 (Oct. 25, 2023) (U.S. Trustee's Emergency Motion to Continue Hearing on Jackson Walker's Final Fee Application). In *GWG*, Jackson Walker moved to have Judge Jones appointed as mediator the month before Ms. Freeman resigned Jackson Walker, *id.* at ECF No. 1128 (Debtors' Motion Nov. 30, 2022), and Ms. Freeman appeared at the mediation. As a result of the mediation, Ms. Freeman was appointed as the trustee for the post-confirmation Wind Down Trust.

D. The McDermott Case and Pro Se Litigant's 2021 Adversary Proceeding

17. An intimate relationship between Judge Jones and Ms. Freeman was alleged in March 2021 in an adversary proceeding in the case of *In re McDermott Int'l, Inc.*, No. 20-30336 (Bankr. S.D. Tex.), in which Jackson Walker was debtor's counsel. In the adversary proceeding,

a *pro se* plaintiff moved to recuse Judge Jones on July 23, 2020. *Van Deelen v. Dickson (In re McDermott Int'l Inc.)*, Adv. No. 20-3309, (Bankr. S.D. Tex.), ECF No. 4 (July 23, 2020) (“*Van Deelen*” or “adversary proceeding”).

18. Jackson Walker represented the individual director and officer defendants in the adversary proceeding. *Infra* ¶ 27.

19. That recusal motion, as originally filed, did not raise the relationship between Judge Jones and Ms. Freeman as a basis for recusal. *See Van Deelen*, ECF No. 4.

20. Almost eight months later and two days before the scheduled March 10, 2021, hearing, the *pro se* plaintiff filed an “Addendum to Plaintiff’s Motion . . . to Disqualify Bankruptcy Court Judge David Jones” (“Plaintiff’s Addendum”). *Van Deelen*, ECF No. 39 (filed Mar. 8, 2021, entered Mar. 9, 2021).

21. Plaintiff’s Addendum included an anonymous letter the *pro se* plaintiff said that he had received just days before accusing Judge Jones of “corruption.” *Van Deelen v. Dickson (In re McDermott Int'l Inc.)*, No. 4:21-cv-3369 (S.D. Tex.), ECF No. 33 at 37–38 (Jan. 9, 2023) (Order on Appeal Affirming Dismissal of the Adversary Proceeding and Denial of Motion to Recuse).⁵ The allegations in the letter related to an intimate relationship between Judge Jones and Ms. Freeman. *Infra* ¶¶ 30–31.

22. On March 9, 2021, Judge Jones contacted Judge Isgur and asked Judge Isgur to reassign the recusal motion to another judge; Judge Isgur entered an order that he would hear the motion to recuse. *Van Deelen*, ECF No. 40 (Mar. 9, 2021).

⁵ “Appellant claims to have received an anonymous letter that accused Judge Jones of corruption. . . . He filed a copy of that letter along with the addendum to his motion to disqualify Judge Jones. (Adv. No. 20-3309, Doc. No. 39).” The matter is now pending before the U.S. Court of Appeals for the Fifth Circuit. *Van Deelen v. Dickson (In re McDermott Int'l Inc.)*, No. 23-20436 (appeal docketed Sep. 11, 2023).

23. Judge Isgur also *sua sponte* ordered that “[t]he document filed at ECF No. 39 is sealed, pending the Court’s determination of whether there is credible, admissible evidence in support of the allegations” *Id.* That document remains under seal.

24. Judge Isgur denied the motion to recuse on March 10. *Van Deelen*, ECF No. 42 (Mar. 10, 2021).

25. Audio recording of the March 10 hearing reveals that the *pro se* plaintiff was unable to authenticate the anonymous letter or establish that it was not hearsay, and Judge Isgur did not admit the letter into evidence. *Van Deelen*, ECF No. 47, 5:10–9:55 (Mar. 10, 2021). Judge Isgur also refused the plaintiff’s request for a continuance so that he could take depositions regarding the contents of the letter. *Id.* Thus, Judge Isgur found there was no admissible evidence to substantiate the allegations in the anonymous letter. *See id.*

26. The United States Trustee was not a party to the adversary proceeding.

27. The docket also reflects that on March 8, 2021, Jackson Walker moved to file documents under seal, stating that it had received increasingly “antagonistic communications” from the *pro se* plaintiff that Jackson Walker alleged contained “defamatory statements.”⁶ *Van Deelen*, ECF No. 36 (Mar. 8, 2021).

28. The clerk of court received and sealed the Jackson Walker documents, referred them to chambers for consideration, and maintained them under seal while the motion to seal was pending. *Van Deelen*, ECF No. 37 (Mar. 8, 2021).

29. Six months later, Judge Jones granted the relief sought in Jackson Walker’s motion to seal: “Except upon further order of the Court after notice to the Defendants, the Van Deelen

⁶ To the extent Jackson Walker was referring to the anonymous letter’s allegations included in the Plaintiff’s Addendum of a relationship between its partner Ms. Freeman and Judge Jones, Jackson Walker never corrected that statement on the record, not even after Jackson Walker admitted it knew of the intimate relationship as early as March 2021. *See supra* n.3.

Communications shall remain under seal, and shall not be made available to anyone without order of the Court including in response to any Freedom of Information Act requests.” *Van Deelen*, ECF No. 78, ¶ 2. (Sep. 8, 2021). Those documents remain under seal.

E. The *Pro Se* Litigant From the *McDermott* Case Sues Judge Jones in District Court

30. On October 4, 2023, the same *pro se* litigant sued Judge Jones in the United States District Court for the Southern District of Texas for his conduct in the *McDermott* case. *Van Deelen v. Jones*, No. 23-cv-03729, ECF No. 1 (S.D. Tex. Oct. 4, 2023) (“*Van Deelen v. Jones*”). Attached to that complaint as Exhibit A1 was a copy of the anonymous letter that the plaintiff says he received on March 6, 2021, notifying him of the relationship between Judge Jones and Ms. Freeman. *Id.* at ¶ 8 and Exhibit A1.⁷

F. Judge Jones First Publicly Denies and Then Admits the Personal Relationship

31. Reporters for the digital media company, Business Insider, obtained a copy of the District Court Complaint against Judge Jones from the plaintiff. Dakin Campbell & Nicole Einbinder, *Lawsuit Alleges Undisclosed Relationship Involving Federal Judge that Could Cloud Corizon Bankruptcy Deal*, Business Insider, Oct. 6, 2023, attached as Exhibit 3. Business Insider, for the first time, made public the allegation in the sealed document in the adversary proceeding that Judge Jones and Ms. Freeman were in a romantic relationship and had been living together for years.

32. According to Business Insider, Judge Jones denied the relationship, *id.*, but the following day, Judge Jones confirmed the relationship to the Wall Street Journal, acknowledging he is and has been in a relationship and has shared a home for years with Ms. Freeman. Alexander

⁷ The complaint was unavailable on the docket as of October 6. On October 23, 2023, the court entered an order sealing the document for “purposes of judicial security.” *Van Deelen v. Jones*, ECF No. 4 (Oct. 23, 2023). Because of that sealing order, the United States Trustee does not attach the complaint to this Motion.

Gladstone & Andrew Scurria, *Bankruptcy Judge Jones Named in Lawsuit Over Romantic Relationship with Local Lawyer*, Wall Street Journal Pro, Oct. 7, 2023, attached as Exhibit 4. Judge Jones denied that he had any duty to recuse or to disclose because he was not married to Ms. Freeman and was entitled to his privacy. *Id.*

G. The Fifth Circuit Investigation and Ethics Complaint

33. On October 13, Judge Jones announced from the bench that he was under investigation by the Fifth Circuit, had been asked to step down from the complex case panel pending the investigation, and would do so effective immediately. Dietrich Knauth, *Top US Bankruptcy Judge, Under Ethics Review, Steps Back from Major Cases*, Reuters, Oct. 13, 2023, attached as Exhibit 5.

34. The Bankruptcy Court then entered General Order 2023-10, which removed Judge Jones from the complex case panel and reassigned his existing complex cases to Judges Lopez and Isgur. *See* General Order 2023-10, Order Designating Complex Case Panel (Oct. 13, 2023).

35. Later on October 13, the Chief Judge of the Fifth Circuit filed the Ethics Complaint against Judge Jones, finding “probable cause to believe that misconduct by Judge Jones has occurred.” Ethics Complaint, p.1. According to the Ethics Complaint, “Judge Jones is in an intimate relationship with Elizabeth Freeman. It appears that they have cohabited (living in the same house or home) since approximately 2017.” *Id.* Judge Jones approved substantial legal fees and expenses payable to Jackson Walker that in some cases included fees attributable to Ms. Freeman. *Id.* at 2. The Ethics Complaint states that there is a “reasonable probability” that Ms. Freeman substantially benefitted or had an interest in the substantial fees Judge Jones approved. *Id.*

36. The Ethics Complaint also stated that “[o]n information and belief, the judge who ruled on the motion to recuse was unaware that Judge Jones was romantically involved with Ms.

Freeman or that they were cohabiting.” *Id.* at 2. The Fifth Circuit Ethics Complaint further stated that “on information and belief, Judge Jones did not apprise that district court judge [who heard the appeal from the denial of the recusal motion and dismissal of the adversary proceeding] of the relationship with Ms. Freeman, and that judge was also unaware of the facts regarding the relationship.” *Id.* at 2.

H. Judge Jones Resigns and the Bankruptcy Court Reassigns His Cases

37. After the Fifth Circuit publicly filed the Ethics Complaint, Judge Jones submitted his resignation on October 15 to be effective on November 15.

38. On October 16, the Bankruptcy Court issued an order reassigning all of Judge Jones’s remaining cases (those without a complex case designation) and revising divisional assignments among the remaining judges. General Order 2023-11 (Oct. 16, 2023).

I. Cases Affected by Judge Jones’s Failure to Recuse and Jackson Walker’s and Ms. Freeman’s Breach of Their Duties

39. Judge Jones presided over at least 26 cases, and perhaps more, where he awarded Jackson Walker approximately \$13 million in compensation and expenses under 11 U.S.C. § 330 and § 331 while Ms. Freeman was both a Jackson Walker partner and living with him in an intimate relationship. This includes approximately \$1 million in fees billed by Ms. Freeman herself in 17 of those cases. Attached as Exhibit 6A–B is a list that the United States Trustee has compiled of affected cases where Judge Jones presided over proceedings awarding Jackson Walker compensation.⁸ The United States Trustee reserves his right to amend this list as he continues his investigation.

⁸ Sometimes court orders and at other times Jackson Walker applications in the affected cases were inconsistent in complying with section 330’s requirements for approving fees and expenses on a final basis. Section 330 requires that counsel file a *final* application for compensation and reimbursement of expenses at the conclusion of a case that covers all fees and expenses for the duration of case, from the petition date to the plan’s effective date. But counsel also “may apply to the court not more than once every 120 days . . . for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under

40. Judge Jones also presided over three additional cases filed in 2017—which may be affected cases depending on the date Ms. Freeman joined the Jackson Walker partnership—potentially implicating an additional \$850,000 in fees and expenses awarded to Jackson Walker. *See supra* n.3. One case closed on September 29, 2017, with a Jackson Walker fee award on August 22, 2017. The other two had final fee awards for Jackson Walker in 2018, with final decrees closing one case on August 2, 2018, and another on March 31, 2021. *See Ameriforge Grp., Inc.*, No. 17-32660 (filed Apr. 30, 2017, Bankr. S.D.Tex.); *Seadrill Ltd.*, No. 17-60079 (filed Jul. 31, 2017, Bankr. S.D. Tex.); *Expro Holdings US, Inc.*, No. 17-60179 (filed Dec. 18, 2017, Bankr. S.D. Tex.). These three cases are not included on Exhibit 6B.

41. In addition to the Jackson Walker cases over which Judge Jones presided, he mediated six cases where Jackson Walker was debtor’s counsel while Ms. Freeman was either a Jackson Walker partner or contract attorney (as of 2023). The impact on those cases remains under review.⁹ Exhibit 6C–D.

42. This case is an affected case included in Exhibit 6.

43. Notwithstanding Jackson Walker’s admitted knowledge of the secret relationship between its partner, Ms. Freeman, and Judge Jones no later than March 2021, *see* Exhibit 2 and

section 330 of this title,” 11 U.S.C. § 331, which is commonly called an *interim* application. In some cases, the court awarded Jackson Walker fees and expenses at the conclusion of a case on an allegedly “final” basis, but the actual order approved fees and expenses for the final interim period and did not necessarily order the award of fees and expenses for the entire case on a final basis as required by section 330. *See, e.g., In re Strike, LLC*, No. 21-90054, ECF No. 1248 (Aug. 18, 2022, Bankr. S.D. Tex.) (“Final Order Allowing Compensation and Reimbursement of Expenses). In an abundance of caution, the United States Trustee seeks to vacate and set aside all orders awarding fees and expenses to Jackson Walker, both interim and final, in this case to avoid any doubt.

⁹ There is also at least one case that does not appear to implicate Jackson Walker or any compensation paid under section 330 but that has been tainted by the undisclosed relationship between Judge Jones and Ms. Freeman. *In re Tehum Health Servs., Inc., f/k/a/ Corizon Health, Inc.*, No. 23-90086 (Bankr. S.D. Tex.). In that case, Judge Jones mediated the settlement of the estate’s fraudulent conveyance claims against several litigation targets, including Ms. Freeman’s client, who received the debtor’s most valuable assets pre-petition while the debtor was saddled with most of the liabilities in a divisional merger. *See* Exhibit 3. The United States Trustee objected to the Disclosure Statement based, in part, on the tainted settlement underlying the proposed plan.

supra n.3,¹⁰ Jackson Walker never disclosed that relationship in any pending or subsequently filed case during the following 21 months while Ms. Freeman was a partner—or thereafter when she was working as a Jackson Walker contract attorney on bankruptcy cases after leaving Jackson Walker.

IV. LAW AND ARGUMENT

A. Bankruptcy Rule 5004 and 28 U.S.C. § 455 Disqualified Judge Jones from Presiding Over Jackson Walker Fee Applications and From Awarding Compensation When His Close Connection with Ms. Freeman Made it Improper.

44. “A bankruptcy judge shall be governed by 28 U.S.C. § 455, and disqualified from presiding over the proceeding or contested matter in which the disqualifying circumstances arise[. . .]” Fed. R. Bankr. P. 5004(a). Section 455(a) mandates disqualification of a judge “in any proceeding in which his impartiality might reasonably be questioned.” 28 U.S.C. § 455(a). Similarly, Rule 5004(b) bars a bankruptcy judge from awarding compensation “to a person who is a relative of the bankruptcy judge or with **whom the judge is so connected as to render it improper for the judge to authorize such compensation.**” Fed. R. Bankr. P. 5004(b) (emphasis added).

45. Due to the intimate, cohabiting relationship between Judge Jones and Ms. Freeman, Ms. Freeman and Jackson Walker were so connected to Judge Jones “as to render it improper” for Judge Jones to have presided over or approved any Jackson Walker fee application, including those with fees billed by Ms. Freeman herself. Under the plain terms of Rule 5004, Judge Jones was not qualified to enter an order granting fees and expenses to Jackson Walker and Ms. Freeman.

¹⁰ “Jackson Walker told the Journal earlier this month that the firm in March 2021 first learned of an allegation that Freeman was in a relationship with Jones. Jackson Walker declined to comment on when it verified that the relationship was real”

46. Not only was Judge Jones’s failure to recuse a violation of Rule 5004, it also violated 28 U.S.C. § 455(a), which mandates disqualification of a judge “in any proceeding in which his impartiality might reasonably be questioned.” In similar circumstances, a judge presiding over bankruptcy proceedings when his fiancé worked as a lawyer at the trustee’s counsel’s firm required the judge to have recused. *See, e.g., Clark v. Kapila*, 612 B.R. 808, 816 (S.D. Fla. 2019) (vacating the final judgment in an adversary proceeding where bankruptcy judge failed to recuse when his fiancé was employed by a party’s counsel). In *Clark*, the court ruled that the bankruptcy judge who presided over an adversary proceeding brought by a chapter 7 case trustee abused his discretion by failing to recuse himself when his fiancé was employed by trustee’s counsel. *Id.*

47. The same recusal analysis applies to live-in romantic partners; relationships with both fiancés and cohabiting intimate partners are treated as spousal relationships. *See Conflicts Arising Out of a Lawyer’s Personal Relationship with Opposing Counsel, ABA Comm. On Ethics & Pro. Resp.*, Formal Op. 494 (July 9, 2020) (“Lawyers who cohabit in an intimate relationship should be treated similarly to married couples for conflicts purposes. The same is true for couples who are engaged to be married or in exclusive intimate relationships.”); Code of Conduct for United States Judges, Canon 3C Commentary (effective Mar. 12, 2019) (“Recusal considerations applicable to a judge’s spouse should also be considered with respect to a person other than a spouse with whom the judge maintains both a household and an intimate relationship”).

B. Jackson Walker and Ms. Freeman Each Breached Their Fiduciary Duty to the Estate and the Texas Disciplinary Rules of Professional Conduct by Failing to Seek Judge Jones’s Recusal.

48. Section 455(a) of title 28 and Rule 5004 are directed to a judge’s conduct. Nevertheless, Ms. Freeman and Jackson Walker had an independent duty—both fiduciary and otherwise—to abide by the law governing the proper conduct of bankruptcy cases. “It is

undisputed that counsel of a debtor-in-possession owes certain fiduciary duties to both the client debtor-in-possession and the bankruptcy court.” *ICM Notes Ltd. v. Andrews & Kurth, L.L.P.*, 278 B.R. 117, 123 (S.D. Tex. 2002). Although the precise scope and extent of a debtor-in-possession’s counsel’s fiduciary duty is subject to some debate, including within bankruptcy courts in the Fifth Circuit, counsel for the debtor-in-possession owes a general fiduciary duty to the estate and to creditors but not to any creditor specifically. *Id.* Jackson Walker’s failure to disclose or to seek recusal of Judge Jones is a breach of Jackson Walker’s fiduciary duty to the estate and to the creditor body at large and a less than faithful execution of its duties as counsel to the debtor-in-possession.

49. Moreover, Rule 8.04(6) of the TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT states that “a lawyer shall not knowingly assist a judge or judicial officer in conduct that is a violation of applicable rules of judicial conduct or other law.” But Jackson Walker and Ms. Freeman did precisely that. There are a host of other professional conduct rules also implicated by Jackson Walker’s and Ms. Freeman’s actions. *See* TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT, Rules 3.04 (Fairness in Adjudicatory Proceedings), 3.05 (Maintaining Impartiality of Tribunal), 4.01 (Truthfulness in Statements to Others), 5.01 (Responsibilities of a Partner or Supervisory Lawyer), and 8.01 (maintaining the integrity of the profession).

50. In bankruptcy cases, with a multiplicity of interests competing for limited assets, it is beyond question that proceedings not just be right but also appear right. Disclosure and transparency are critical to the integrity of every bankruptcy proceeding, where creditors are required to sacrifice significant rights to rehabilitate debtors and where confidence in the fairness of the proceeding is of paramount public importance.¹¹ Jackson Walker’s misconduct in this and

¹¹ “The one thing I demand more than anything is transparency And I do that for a number of reasons. Folks who hire the lawyers of the caliber that are in this courtroom, they have somewhere to go they can ask questions about the

other bankruptcy cases risks the public's confidence in the integrity that is vital to the very legitimacy of the bankruptcy process.

C. This Court Should Vacate and Set Aside All Orders Awarding Jackson Walker Compensation Under Rule 60(b)(6).

51. Federal Rule of Civil Procedure Rule 60(b)(6) provides that “[o]n motion and just terms, the court may relieve a party or its legal representative from a final judgment, order, or proceeding for . . . any other reason that justifies relief.” Fed. R. Civ. P. 60(b)(6). Bankruptcy Rule 9024 incorporates Civil Rule 60(b) “in cases under the Code.” Fed. R. Bankr. P. 9024. The United States Trustee’s motion to vacate is not premised on mere legal error in the award of fees. Rather, it is premised on conduct that goes to the fundamental fairness and integrity of the bankruptcy proceeding itself as well as a fundamental deprivation of due process. The infirmity here is one so foundational as to render the Jackson Walker fee orders ripe for vacatur.

52. Relief under Rule 60(b)(6) applies to “extraordinary circumstances.” *Ackermann v. United States*, 340 U.S. 193, 199 (1950); *see also Hess v. Cockrell*, 281 F.3d 212, 216 (5th Cir. 2002) (“Rule 60(b)(6) motions will be granted only if extraordinary circumstances are present.”) (internal quotation marks and citation omitted). Rule 60(b)(6) is “a residual clause used to cover unforeseen contingencies; that is, it is a means for accomplishing justice in exceptional circumstances.” *Steverson v. GlobalSantaFe Corp.*, 508 F.3d 300, 303 (5th Cir. 2007) (quoting *Stipelcovich v. Sand Dollar Marine, Inc.*, 805 F.2d 599, 604–05 (5th Cir. 1986)). The undisclosed

process. The great majority of folks affected by these cases do not. And it is those people I have a special focus for, and for the guy whose — and I hope I’m not referring to anyone in particular — the guy who runs a small water truck in Oklahoma who isn’t gonna get paid on his last three invoices and is gonna run his truck on bare tires or can’t afford braces for his daughter, that’s the guy who matters most to me when it comes to transparency.” *In re Midstates Petroleum Co.*, No. 16-32237, ECF No. 702, p.69 (Bankr. S.D. Tex. Sep. 30, 2016) (Comments of Judge Jones, Transcript of Sep. 28, 2016, confirmation hearing).

relationship between the judge and a law firm partner appearing before the judge is that unforeseen contingency and that exceptional circumstance.

53. The Supreme Court has held that if “a judgment should be vacated for a violation of § 455(a), it is appropriate to consider the risk of injustice to the parties in the particular case, the risk that the denial of relief will produce injustice in other cases, and the risk of undermining the public’s confidence in the judicial process.” *Liljeberg v. Health Servs. Acquisition Corp.*, 486 U.S. 847, 864 (1988) (emphasis added).

54. Although the Supreme Court has stated that Rule 60(b)(6) relief is “neither categorically available nor categorically unavailable for all § 455(a) violations,” *Liljeberg*, 486 U.S. at 864, it affirmed the Fifth Circuit’s decision vacating a judgment under Rule 60(b)(6) because the trial court judge should have been disqualified under section 455(a). *Id.* “We must continuously bear in mind that ‘to perform its high function in the best way [j]ustice must satisfy the appearance of justice.’” *Id.* (quoting *In re Murchison*, 349 U.S. 133, 136 (1955)). Consistent with *Liljeberg*, bankruptcy court orders and judgments may be vacated for violations of section 455(a) and Rule 5004. *See, e.g., Clark*, 612 B.R. at 816.

55. The exceptional facts here easily satisfy the *Liljeberg* factors. First, there is no risk of injustice to any *party*, as relief is sought only against Jackson Walker, *counsel*, not a *party*. Instead, permitting the orders approving Jackson Walker’s fees and expenses to stand would be unjust to those who are parties to this case. Judge Jones’s relationship with Ms. Freeman reasonably leads to questioning his impartiality in this proceeding, and his actions were sufficiently egregious that he was asked to resign from the complex case panel, was subjected to the Fifth Circuit’s Ethics Complaint, and voluntarily resigned within a week of his relationship with Ms.

Freeman becoming public. At the same time, Jackson Walker and Ms. Freeman failed in their fiduciary duties and professional responsibilities.

56. As for the second and third factors, failure to vacate the fee orders could produce injustice in this and other cases because disclosure and transparency go to the heart of the proper functioning of the bankruptcy system. Allowing the tainted fee orders to stand would send a message that professionals avoid consequences for their misconduct unless they are “caught” in real-time. This would undermine not just the public’s *perception* of the legitimacy of the court but the *actual* legitimacy of the court itself. “The guiding consideration is that the administration of justice should reasonably appear to be disinterested as well as be so in fact.” *Liljeberg*, 486 U.S. at 869–870 (quoting *Pub. Utils. Comm’n of D.C. v. Pollak*, 343 U.S. 451, 467, 72 S. Ct. 813, 823 (1952) (Frankfurter, J., concurring)). Thus, vacating the fee orders and providing any party in interest, including the United States Trustee, sufficient opportunity to object to Jackson Walker’s fees and expenses given the newly discovered evidence bolsters, not undermines, the parties’ and public’s confidence in the judicial process.

57. Judge Jones’s, Ms. Freeman’s, and Jackson Walker’s actions have injured the Court and cast a cloud on dozens of bankruptcy proceedings. Therefore, these unique and serious circumstances satisfy the *Liljeberg* factors. Rule 60(b)(6) relief should be granted, and the orders vacated.

WHEREFORE, the United States Trustee respectfully requests that the Court (i) vacate all orders approving Jackson Walker’s fees and expenses; (ii) order that the United States Trustee and all parties in interest have 120 days from entry of this Court’s order to object to and seek the denial of and return of all fees and expenses previously awarded to Jackson Walker; and (iii) set a hearing after the objection deadline to consider Jackson Walker’s applications for compensation

and reimbursement of expenses and all objections thereto. Vacating all orders approving Jackson Walker's fees and expenses is but a predicate to returning the parties and Jackson Walker to the status quo before the undisclosed relationship between Jackson Walker's partner and Judge Jones was publicly revealed. The United States Trustee also requests that the Court grant such other and further relief as this Court deems just and appropriate.

Date: November 2, 2023

Respectfully Submitted,

KEVIN M. EPSTEIN
UNITED STATES TRUSTEE
REGION 7, SOUTHERN AND WESTERN
DISTRICTS OF TEXAS

By: /s/ Millie Aponte Sall

Millie Aponte Sall
Assistant U.S. Trustee
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CERTIFICATE OF SERVICE

I certify that on November 2, 2023 a copy of the foregoing pleading was served on all parties entitled to electronic notice through the Court's CM/ECF system.

/s/ Millie Aponte Sall

Millie Aponte Sall

SCHEDULE OF EXHIBITS

No.	Exhibit
1	<i>Complaint Identified by the Chief Judge of the Fifth Circuit Court of Appeals Against United States Bankruptcy Judge David R. Jones, Southern District of Texas, Under the Judicial Improvements Act of 2002, Complaint No. 05-24-9002 (5th Cir. Oct. 13, 2023)</i>
2	<i>Alexander Gladstone & Akiko Matsuda, Texas Law Firm Didn't Disclose Possible Conflict Involving Bankruptcy Judge, Wall Street Journal Pro, Oct. 27, 2023</i>
3	<i>Dakin Campbell & Nicole Einbinder, Lawsuit Alleges Undisclosed Relationship Involving Federal Judge that Could Cloud Corizon Bankruptcy Deal, Business Insider, Oct. 6, 2023</i>
4	<i>Alexander Gladstone & Andrew Scurria, Bankruptcy Judge Jones Named in Lawsuit Over Romantic Relationship with Local Lawyer, Wall Street Journal Pro, Oct. 7, 2023</i>
5	<i>Dietrich Knauth, Top US Bankruptcy Judge, Under Ethics Review, Steps Back from Major Cases, Reuters, Oct. 13, 2023</i>
6	List of Affected Cases Identified by USTP as of October 31, 2023

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

STAGE STORES, INC., ET AL.¹

DEBTORS

Chapter 11

Case No. 20-32564

Jointly Administered

**ORDER ON UNITED STATES TRUSTEE'S MOTION FOR RELIEF FROM
JUDGMENT OR ORDER PURSUANT TO FEDERAL RULE OF CIVIL PROCEDURE
60(b)(6) AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 9024 APPROVING
ANY JACKSON WALKER APPLICATIONS FOR COMPENSATION AND
REIMBURSEMENT OF EXPENSES**

CAME ON for consideration the *United States Trustee's Motion for Relief From Judgment or Order Pursuant to Federal Rule of Civil Procedure 60(B)(6) and Federal Rule of Bankruptcy Procedure 9024 Approving Any Jackson Walker Applications For Compensation and Reimbursement of Expenses* (the "Motion"), and after consideration of the Motion and the Court being fully advised of the premises, it is hereby

ORDERED that the Motion is granted; it is further

ORDERED that the order [ECF No. 983] approving Jackson Walker's fees and expenses is vacated pursuant to Fed. R. Civ. P. 60(b)(6); it is further

ORDERED that the U.S. Trustee and all parties in interest shall have 120 days from the entry of this Order to object to Jackson Walker's fees and expenses in this case; and it is further

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900). The Debtors' service address is: 2425 West Loop South, Houston, Texas 77027.

ORDERED that a hearing is scheduled for _____ to consider Jackson Walker's applications for compensation and reimbursement of expenses and the return of fees and expenses previously paid to Jackson Walker.

SIGNED the _____ day of _____, 2023.

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

**United States Court of Appeals
for the Fifth Circuit**

United States Court of Appeals
Fifth Circuit

FILED

October 13, 2023

Lyle W. Cayce
Clerk

COMPLAINT NUMBER: 05-24-90002

COMPLAINT IDENTIFIED BY THE CHIEF JUDGE OF THE FIFTH
CIRCUIT COURT OF APPEALS AGAINST UNITED STATES
BANKRUPTCY JUDGE DAVID R. JONES,
SOUTHERN DISTRICT OF TEXAS,
UNDER THE JUDICIAL IMPROVEMENTS ACT OF 2002.

Pursuant to Rule 5 in Article III of the Rules for Judicial-Conduct and Judicial-Disability Proceedings, I am identifying a Complaint against United States Bankruptcy Judge David R. Jones of the Southern District of Texas.

Rule 5 provides that when a chief judge has information constituting reasonable grounds for inquiry into whether a covered judge has engaged in misconduct, the chief judge may conduct an inquiry, as he or she deems appropriate, into the accuracy of the information. I have conducted an inquiry and find there is probable cause to believe that misconduct by Judge Jones has occurred. It does not appear that an informal resolution is feasible at this time. I am therefore entering this written order stating the reasons for identifying a complaint.

Judge Jones is in an intimate relationship with Elizabeth Freeman. It appears that they have cohabited (living in the same house or home) since approximately 2017. Elizabeth Freeman worked in Judge Jones's chambers as a law clerk. Subsequently, she was a partner in the Jackson Walker LLP law firm, it appears from at least 2017 until December 2022. She formed The

Law Office of Liz Freeman, from which she has practiced since approximately December 2022.

Members of the Jackson Walker LLP firm have regularly appeared before Judge Jones since 2017. Judge Jones has approved attorneys' fees payable to that firm in which supporting documentation, that was submitted to Judge Jones and is part of public records, reflects that services by Elizabeth Freeman were performed in connection with a number of cases for which fees were sought and approved, though Elizabeth Freeman was not shown as counsel of record on the face of pleadings. The amounts billed for Elizabeth Freeman's services in those cases were substantial. The fees approved by Judge Jones for Jackson Walker LLP were likewise substantial. Judge Jones approved fees payable to Jackson Walker LLP in other cases in which Elizabeth Freeman does not appear to have provided any legal services or advice. However, at all times when Elizabeth Freeman was a Jackson Walker LLP partner, and regardless of whether she provided services or advice in a case, there is a reasonable probability that Elizabeth Freeman, as a partner in that firm, obtained a financial benefit from, or had a financial interest in, fees approved by Judge Jones. Judge Jones did not recuse in Jackson Walker LLP cases nor did he disclose his relationship with Elizabeth Freeman to the parties or their counsel in which Jackson Walker LLP appeared before him.

A motion to recuse Judge Jones was filed in a case in which Jackson Walker LLP was counsel of record. The basis of the motion was an allegation that Judge Jones was involved in a romantic relationship with Elizabeth Freeman. Judge Jones referred the motion to recuse to another bankruptcy judge but did not disclose to that judge the facts regarding his relationship with Ms. Freeman. On information and belief, the judge who ruled on the motion to recuse was unaware that Judge Jones was romantically involved with Ms. Freeman or that they were cohabiting. The motion to recuse was denied and appealed to a federal district court judge, and on information and

belief, Judge Jones did not apprise that district court judge of the relationship with Ms. Freeman, and that judge was also unaware of the facts regarding the relationship. The appeal was denied. There is a reasonable probability that if Judge Jones had disclosed the facts concerning his relationship with Elizabeth Freeman to his fellow bankruptcy judge, to whom the motion to recuse was referred, the motion to recuse would have been granted. Because the motion was denied, and Judge Jones did not voluntarily recuse, Judge Jones presided in the case and approved Jackson Walker LLP's attorneys' fees. Court records appear to reflect that those fees included amounts for services Elizabeth Freeman performed in connection with the case.

It appears that Judge Jones accepted an appointment from another bankruptcy judge to act as mediator in a matter in which Ms. Freeman, as a shareholder or partner in The Law Offices of Liz Freeman, was attorney of record for a party and participated in the mediation; that Judge Jones did not disclose his relationship with Ms. Freeman to the parties, to their counsel or to the bankruptcy judge who appointed Judge Jones. Judge Jones conducted the mediation to a conclusion.

In another matter over which Judge Jones presided, it appears that Judge Jones approved a fee application submitted by The Law Offices of Liz Freeman. It does not appear that any party or any other counsel in that proceeding was apprised of Judge Jones' relationship with Ms. Freeman.

It further appears that Judge Jones recommended to other judges in the Southern District of Texas that Ms. Freeman be appointed to the Lawyer Admissions Committee for the Southern District of Texas Bankruptcy Court. Judge Jones did not disclose his relationship with Ms. Freeman to those considering the appointment.

Judge Jones and Elizabeth Freeman are not married to one another, to the best of my knowledge, and do not hold themselves out as spouses.

However, the Commentary to Canon 3C of the Code of Conduct for United State Judges provides “[r]ecusal considerations applicable to a judge’s spouse should also be considered with respect to a person other than a spouse with whom the judge maintains both a household and an intimate relationship.” In this regard, *see also* Guide to Judiciary Policy, vol. 2, sec. 220, Advisory Opinion 58; *Potashnick v. Port City Construction Co.*, 609 F.2d 1101, 1112-14 (5th Cir. 1980).

Based on the foregoing, there is probable cause to believe that Judge Jones has engaged in misconduct, as that term is defined or described in the code of conduct applicable to federal judges including bankruptcy judges. In particular:

- 1) The Code of Conduct for United States Judges provides in Canon 2 that “a judge should avoid impropriety and the appearance of impropriety in all activities.” All of the alleged conduct set forth above appears to constitute impropriety or at least the appearance of impropriety.
- 2) Canon 2B provides in part that “[a] judge should not allow family, . . . or other relationships to influence judicial conduct or judgment.”
- 3) Canon 3C(1) provides that “[a] judge shall disqualify himself or herself in a proceeding in which the judge’s impartiality might reasonably be questioned.”
- 4) Canon 3C(1) provides a non-exclusive list of circumstances in which a judge should disqualify himself or herself in a proceeding in which the judge’s impartiality might reasonably be questioned. Included in the list, in subsection 3C(1)(c), is an instance in which “the judge knows that the judge, . . . or the judge’s spouse . . . has a financial interest in the subject matter in controversy or in a party to the proceeding, or any other interest that could be affected substantially by the outcome of the proceeding.”

5) The non-inclusive list also includes, in Canon 3C(1)(d), instances in which

the judge or the judge's spouse, or a person related to either within the third degree of relationship, or the spouse of such a person is:

...

(ii) acting as a lawyer in the proceeding; [or]

(iii) known by the judge to have an interest that could be substantially affected by the outcome of the proceeding. . . .

6) The Commentary to Canon 3C(1)(d)(ii) provides:

The fact that a lawyer in a proceeding is affiliated with a law firm with which a relative of the judge is affiliated does not of itself disqualify the judge. However, if “the judge’s impartiality might reasonably be questioned” under Canon 3C(1), or the relative is known by the judge to have an interest in the law firm that could be “substantially affected by the outcome of the proceeding” under Canon 3C(1)(d)(iii), the judge’s disqualification is required.

7) Canon 3B(3) provides “(3) [a] judge should exercise the power of appointment fairly and only on the basis of merit, avoiding unnecessary appointments, nepotism, and favoritism.”

Pursuant to Rule 11 under Article IV of the Rules for Judicial-Conduct and Judicial-Disability Proceedings, Judge Jones is invited to respond either orally or in writing to this Complaint.

As a general matter, Rule 23 under Article IV of the Rules for Judicial-Conduct and Judicial-Disability Proceedings, provides that the contents of a complaint against a judge are confidential. However, that Rule also provides that a chief judge “may disclose the existence of a proceeding under these Rules when necessary or appropriate to maintain public confidence in the judiciary’s ability to redress misconduct or disability.” I conclude that disclosure of the existence of this complaint is necessary and appropriate, particularly because many of the allegations regarding Judge Jones’ conduct have been made public in the press and in the filing of a law suit against Judge Jones.

Pursuant to 28 U.S.C. § 351(b) and Rule 5, I hereby identify a complaint against United States Bankruptcy Judge David R. Jones. As provided by Rule 5, I will begin the review provided for in Rule 11 of the Rules for Judicial-Conduct and Judicial-Disability Proceedings.

Date: October 13, 2023

A handwritten signature in cursive script that reads "Priscilla Richman". The signature is written in black ink and is positioned above a horizontal line.

Priscilla Richman
Chief Judge

EXHIBIT 2

Texas Law Firm Didn't Disclose Possible Conflict Involving Bankruptcy Judge; Jackson Walker filed court papers that said it was a disinterested adviser in major chapter 11 cases and omitted that one of its bankruptcy lawyers was living with the presiding judge

WSJ Pro Bankruptcy

October 27, 2023

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Section: WSJ PRO; Pro Bankruptcy Bankruptcy

Length: 1333 words

Byline: By Alexander Gladstone and Akiko Matsuda

Body

Texas law firm Jackson Walker said in court filings that it was an unbiased advocate for the businesses it was guiding through bankruptcy in recent years. It never mentioned that one of its bankruptcy lawyers at the time was in a romantic relationship with the judge overseeing at least two dozen of those chapter 11 cases.

Jackson Walker didn't disclose that one of its law partners, Elizabeth Freeman, was living with bankruptcy judge David R. Jones, and didn't correct its paperwork in the bankruptcy cases after learning of the couple's relationship. The possible conflict of interest could have kept Jackson Walker off chapter 11 cases it filed in Houston's bankruptcy court-and that earned the firm nearly \$10 million in fees, The Wall Street Journal found through a review of court records.

Jones [resigned from the bench earlier this month](#) amid [an official misconduct probe](#) by the federal appeals court that appointed him after he [confirmed his romantic relationship with Freeman to the Journal](#). Earlier this week, the Justice Department's Office of the U.S. Trustee, which oversees the nation's bankruptcy courts, said it has started to review Jackson Walker's fee requests in light of Jones's resignation.

Jackson Walker told the Journal earlier this month that the firm in March 2021 first learned of an allegation that Freeman was in a relationship with Jones. Jackson Walker declined to comment on when it verified that the relationship was real and on the fee requests. It said in a court filing Thursday regarding a pending fee request that it "is working to evaluate and address the issues that have come to light over the past three weeks."

Jones didn't respond to a request for comment. He previously told the Journal he believed the relationship didn't need to be disclosed because he and Freeman aren't married and he was entitled to a degree of privacy. Freeman declined to comment.

Law firms, bankers and other advisers in chapter 11 cases are required to be neutral and must reveal potential conflicts of interest arising from personal or professional connections to a bankrupt company's creditors and insiders, and to other professionals and "parties in interest," meaning people or firms that could either benefit or be harmed by the outcome of the cases. Typically, advisers search their internal records for conflicts with a company's owners, stakeholders and other potential parties in interest, including judges and court personnel.

Other chapter 11 advisers [including consulting powerhouse McKinsey](#) have faced civil sanctions or criminal probes for failing to disclose business or personal connections in bankruptcy court, according to legal experts and court records.

"The goal behind disclosing connections is the transparency of the system," said Nancy Rapoport, a law professor at the William S. Boyd School of Law at the University of Nevada Las Vegas who specializes in bankruptcy ethics.

"People want to know what advantages people might have," Rapoport said. "A failure to disclose causes the maelstrom we're experiencing now, because it leads to other questions. Who else knew, and when did those persons know it?"

Jackson Walker served as co-counsel alongside lawyers from Kirkland & Ellis, the nation's leading firm for filing major corporate bankruptcies, in at least 17 cases that Jones oversaw and on which Freeman billed hours, the Journal found. In addition to cases overseen by Jones, Freeman and Jackson Walker worked on cases before other judges for which he served as mediator. Kirkland & Ellis declined to comment.

Property records show Jones and Freeman bought a house together in 2017, when she was working as his law clerk, before she joined Jackson Walker in 2018. The code of conduct for federal judges states they should recuse themselves from hearing cases if their impartiality might reasonably be questioned, including proceedings in which their spouses or domestic partners are working as lawyers.

If Jackson Walker was aware of the relationship, the firm had its own obligation to divulge it in court to its clients, their creditors and other stakeholders in the chapter 11 cases, bankruptcy experts said. The firm also had an obligation to correct previously submitted court documents if they lacked the disclosure of the relationship, the experts said.

In 2020, a shareholder of McDermott International sought Jones's recusal from the engineering company's bankruptcy after saying he had received an anonymous letter alleging that Jones and

Freeman were in a relationship and lived together. Another Houston judge, Marvin Isgur, denied the recusal motion in March 2021 due to lack of evidence. The allegation, however, prompted Jackson Walker to conduct an internal inquiry and to consult outside ethics counsel, a spokesman for the firm told the Journal earlier this month.

Freeman later stopped working and billing on bankruptcy cases pending before Jones at Jackson Walker, court records show. But Jackson Walker has never filed paperwork to correct court documents it previously submitted in Houston, which became in recent years [a top venue for corporate restructurings](#).

Legal experts said that because Freeman remained a partner at Jackson Walker, it should have disclosed her relationship with Jones in cases he oversaw or mediated, including for chapter 11 cases that she wasn't personally working on. Between March 2021, when the relationship was first alleged in court, and December 2022, when Freeman left the firm to start her own solo practice, Jackson Walker filed at least six applications to be officially retained as companies' legal counsel in bankruptcy cases before Jones.

In two of those cases, involving construction startup Katerra and pipeline builder Strike, Jackson Walker included Jones in its filings as a potential party in interest and indicated that it searched his name against its internal records and didn't find any connections involving him.

Other firms have disclosed connections to court personnel in applications to be retained as advisers. Texas law firm Gray Reed disclosed in 2020 as part of a retention application in Whiting Petroleum's bankruptcy that Jones had once worked as an IT contractor for the firm while he was attending law school.

Failing to disclose connections in bankruptcy has had consequences for individuals and firms. In 1998, John Gellene, at the time a bankruptcy lawyer at law firm Milbank, was found to have concealed that he had worked for a creditor of a company he was representing in bankruptcy. He was convicted of making false declarations under penalty of perjury and served time in prison. Milbank declined to comment.

The former bankruptcy consulting practice of Mesirov Financial was denied fees after a partner working on the bankruptcy case of a Caesars Entertainment unit was found in 2016 to have had an affair with a lawyer for the company. Mesirov didn't immediately respond to a request for comment.

More recently McKinsey, [paid a \\$15 million settlement in 2019 without admitting wrongdoing](#) after the U.S. Trustee accused the firm of failing to adequately disclose its client and business connections in three bankruptcy cases. McKinsey said at the time it was settling to move forward and focus on clients and that the settlement process provided clarity for the filing of future disclosures. McKinsey has also faced years of civil litigation alleging it concealed its conflicts to win assignments advising businesses, which it denies.

The U.S. Trustee said in court papers Wednesday that Jackson Walker didn't disclose the relationship between Freeman and Jones when it applied last year to represent alternative asset firm GWG Holdings "despite recent admissions by a spokesperson for Jackson Walker that it

learned of their relationship in March 2021." A court hearing that had been scheduled for Thursday on Jackson Walker's fee request in the GWG case was postponed.

Write to Alexander Gladstone at alexander.gladstone@wsj.com and Akiko Matsuda at akiko.matsuda@wsj.com

Notes

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EXHIBIT 3

Lawsuit alleges undisclosed relationship involving federal judge that could cloud...

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October 6, 2023

Lawsuit alleges undisclosed relationship involving federal judge that could cloud Corizon bankruptcy deal

Dakin Campbell, Nicole Einbinder

Oct 06, 2023

A complaint filed this week in federal court casts doubt over the neutrality of the judge who oversaw bankruptcy settlement talks involving Corizon, once the nation's largest prison health care provider.

David Jones, the chief bankruptcy judge for the Southern District of Texas, and Elizabeth Freeman, his former law clerk and a successful bankruptcy attorney, have secretly been in a romantic relationship for years, according to the complaint, which was obtained by Insider.

Corizon, a leading private prison health provider, pulled a Texas Two-Step, putting assets in YesCare and debts in Tehum. Tehum then filed for bankruptcy, potentially leaving hundreds of prisoners claiming malpractice with pennies on the dollar. A court document claims the judge mediating the settlement deal is in a romantic relationship with YesCare's attorney.

Last year, Corizon began a controversial maneuver known as a Texas Two-Step, splitting the company into two parts, one with most of its assets, known as YesCare, and one with most of its debts, known as Tehum, which then filed for bankruptcy. The Two Step was effectively designed to protect YesCare's assets, including public sector contracts worth more than \$1 billion. According to a legal filing, Tehum director Isaac Lefkowitz said the Two Step can be used to "force plaintiffs into accepting lower settlements."

Freeman represented YesCare Corp. in the settlement talks. And the talks were overseen by Jones.

At least 350 malpractice suits against Corizon and tens of millions of dollars in unpaid invoices are now folded into that proposed deal, which awaits approval by the creditors. It offers prisoners who were injured or died under Corizon's care only \$5,000 each.

While the complaint, submitted on Wednesday in the Southern District of Texas, is currently not available for public access on the docket, Insider obtained a copy from Michael Van Deelen, who filed the suit pro se. It alleges that Jones retaliated against him for "outing" the judge's allegedly inappropriate relationship in a previous legal filing.

Jones was appointed in May by US Bankruptcy Judge Christopher Lopez to act as a mediator in the Tehum case, to oversee talks between the company and its largest creditors. Freeman signed off on Jones' appointment as mediator, according to a stipulation and agreed order submitted in the bankruptcy docket. Neither Jones nor Freeman have disclosed their alleged relationship, according to Van Deelen's complaint.

Frank Ozment, who represents an Alabama prisoner, Tracy Grissom, who said she was subjected to negligent Corizon care,

Lawsuit alleges undisclosed relationship involving federal judge that could cloud...

called the claims “very disturbing” if true.

”It’s very important that the mediator be neutral,” Ozment told Insider. “If the allegations suggest that the mediator was not neutral, then that could potentially bear a lot of weight on whether the plan is reasonable.”

Jones has denied any romantic relationship with Freeman, according to the complaint.

Jones, Freeman, and YesCare did not immediately respond to queries.

A million-dollar home

Van Deelen’s case dates back to June 2020, when he filed a shareholder suit in Texas state court against employees of engineering company McDermott International, alleging fraud and a breach of duty. Six months earlier, McDermott had declared bankruptcy. Van Deelen says he and his wife lost their entire investment.

McDermott was represented in the case by law firm Jackson Walker, one of the country’s top bankruptcy firms. Freeman clerked for Jones for six years, and she went on to become a partner at Jackson Walker, where she was one of the attorneys assigned to the McDermott bankruptcy. Van Deelen’s case was ultimately “removed” to Jones’ bankruptcy court, according to Van Deelen’s complaint.

Freeman now runs a Houston-based law office, The Law Office of Liz Freeman, that specializes in bankruptcy litigation and reorganization. Van Deelen claims Freeman left her prestigious job at Jackson Walker because “the relationship between her and Defendant Jones was made generally known.”

The document alleges that, while working the McDermott case, Freeman was Jones’ “live-in girlfriend” in a home worth more than a million dollars. Exhibits attached to the complaint show that Jones and Freeman have since June 2017 been listed as co-owners of a four-bed, two-bath, 3,800 square foot home on a leafy street in Houston that was assessed at \$1.07 million.

Meanwhile, two people, “probably Freeman’s parents” moved into a \$1.5 million home that Jones owns in Coldspring, an hour outside of Houston, according to another exhibit. The complaint alleges that Freeman had been living in that property since 2007, and that Jones purchased it in 2016.

Van Deelen said in the suit that he learned of the relationship after receiving an anonymous letter in March 2021, also attached as an exhibit. It describes alleged corruption that involved Jones, Jackson Walker, and Freeman “in a scheme in which corporate bankruptcy filers would hire Jackson Walker to represent them and then get favorable treatment from Defendant Jones because of his amorous relationship with Freeman.”

Matt Cavanaugh, a partner at Jackson Walker, didn’t immediately respond to a request for comment.

According to the complaint, the letter detailed the “corruption involving Judge David R. Jones” and his romantic relationship with Freeman.

”Instead of personally avoiding the McDermott bankruptcy case because of his relationship with Jackson Walker attorney Freeman,” the complaint says, Jones “assigned the case to himself.” He didn’t disclose that he had a personal relationship with Freeman, according to the complaint.

Van Deelen submitted the letter in a motion seeking to get Jones removed from his case. Judge Marvin Isgur, another bankruptcy judge in the court, later denied it.

Van Deelen said that when he filed the complaint, he also hand delivered it to Jones in the Houston courthouse. After making his way through the maze of offices, Van Deelen said he turned a corner to find Jones eating a sandwich. When the judge saw who it was, “he turned white,” Van Deelen said.

He said Jones accepted the envelope without saying a word.

Read the original article on Business Insider

Lawsuit alleges undisclosed relationship involving federal judge that could cloud...

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---- Index References ----

Company: EMETALS LIMITED; JACKSON WALKER LLP

News Subject: (Bankruptcies (1BA08); Business Management (1BU42); Corporate Events (1CR05); Crime (1CR87); Criminal Law (1CR79); Fraud (1FR30); Government Litigation (1GO18); Legal (1LE33); Liability (1LI55); Social Issues (1SO05))

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EXHIBIT 4

UPDATE 2-Top US bankruptcy judge, under ethics review, steps back from major cases

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10/13/23 Reuters News 20:46:05

Reuters News
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October 13, 2023

UPDATE 2-Top US bankruptcy judge, under ethics review, steps back from major cases

Dietrich Knauth

NEW YORK, Oct 13 (Reuters)

(Adds details on misconduct complaint in paragraphs 5-6)

By Dietrich Knauth

NEW YORK, Oct 13 (Reuters) - U.S. Bankruptcy Judge David Jones in Houston, who oversees more major Chapter 11 cases than any other U.S. judge, said on Friday he is facing an ethics review over a previously undisclosed romantic relationship and is stepping down from handling large cases.

Jones said over the weekend he has been in a years-long romantic relationship and shared a home with bankruptcy attorney Elizabeth Freeman, who had been a law clerk for him. Until recently, Freeman worked at Jackson Walker, a local law firm that filed many cases in Jones' Houston courthouse.

Jones said at a court hearing in the bankruptcy case of drilling company Arethusa Offshore that he is under investigation from the New Orleans-based 5th U.S. Circuit Court of Appeals and that all his bankruptcy cases involving large companies would be assigned to other judges during the investigation.

"I hope that you can appreciate that the integrity of the process is simply more important than a single case and you have my genuine apologies for the inconvenience that I am causing," Jones told the company's attorneys.

Chief 5th U.S. Circuit Judge Priscilla Richman, in a misconduct complaint made public later on Friday, said there was probable cause to believe Jones violated the codes of conduct that govern judges by, among other things, failing to avoid an appearance of impropriety.

Richman said that while Jones and Freeman were not married, the factors that apply to recusing from a case involving a judge's spouse apply equally when a judge maintains both a household and an intimate relationship with someone they are not married to.

Yet, she wrote, Jones never recused himself from cases involving Jackson Walker or disclosed his relationship with Freeman. The judge approved attorneys' fees sought by Jackson Walker for work on bankruptcy matters in which billing records showed Freeman performed "substantial" services, Richman said.

The Houston bankruptcy court on Friday also updated its case assignment rules to remove Jones from a two-judge panel that oversees all complex cases involving more than \$200 million in debt.

UPDATE 2-Top US bankruptcy judge, under ethics review, steps back from major cases

Legal ethics experts have said Jones should have disclosed the relationship or recused himself from cases involving Jackson Walker.

A spokesman for Jackson Walker said the firm consulted outside ethics counsel after learning about the romantic relationship in March 2021.

"From the time we first learned of this allegation Ms. Freeman was instructed not to work or bill on any cases before Judge Jones," Jackson Walker spokesman Jim Wilkinson said. "We are confident that we acted responsibly."

Freeman, through her attorney, declined to comment.

Jones has been the busiest bankruptcy judge in the U.S. since January 2016, overseeing 11% of all Chapter 11 bankruptcies involving more than \$100 million in liabilities, according to data from Debtwire, which provides research and intelligence on credit markets. He recently presided over the bankruptcies of JC Penney, Neiman Marcus, Party City and Chesapeake Energy, among many others.

The two-judge panel for complex cases is an outlier among U.S. bankruptcy courts, which typically assign cases randomly among all of their judges.

Bankruptcy Judge Marvin Isgur, who stepped down from the panel a year ago, will replace Jones, and all of Jones' complex cases will be randomly assigned to Isgur or the panel's other member, U.S. Bankruptcy Judge Christopher Lopez.

(Reporting by Dietrich Knauth; Additional reporting by Nate Raymond; Editing by Alexia Garamfalvi, Leslie Adler, Rod Nickel and William Mallard) ((Dietrich.Knauth@thomsonreuters.com;))

---- Index References ----

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NewsRoom

EXHIBIT 5

Bankruptcy Judge Jones Named in a Lawsuit Over Romantic Relationship With Local Lawyer -- WSJ

Dow Jones Institutional News

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 DOW JONES NEWSWIRES

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Byline: By Alexander Gladstone and Andrew Scurria

Body

A Texas bankruptcy judge has been in a romantic relationship with a lawyer whose former firm brought major chapter 11 cases to his court, a premier landing spot for corporate reorganizations.

Judge David R. Jones, who has overseen some of the nation's largest chapter 11 cases in the U.S. Bankruptcy Court in Houston, told The Wall Street Journal he is in a relationship and has shared a home for years with bankruptcy lawyer Elizabeth Freeman.

Freeman worked at Texas law firm Jackson Walker's bankruptcy practice group until December 2022, when she left to start her own law firm. Jackson Walker, a leading Texas bankruptcy firm, filed chapter 11 cases that were assigned to Judge Jones while she was still a partner there.

The relationship between the judge and the lawyer surfaced publicly earlier this week when an individual plaintiff sued Judge Jones over rulings that he made while presiding over the 2020 bankruptcy case of offshore-drilling company McDermott International. The law firm Kirkland & Ellis represented McDermott with Jackson Walker as local counsel.

The plaintiff, Michael Van Deelen, was a shareholder in McDermott and has unsuccessfully pursued a variety of claims against the company, its advisers and the judge in bankruptcy court.

In his lawsuit, Van Deelen alleged that Jones and Freeman's romantic relationship amounted to a conflict of interest and tainted his rulings in the McDermott case.

The judge confirmed the relationship in an interview with the Journal and said that he and Freeman agreed years ago that she herself would never appear in his courtroom.

Jones said he believes the relationship didn't need to be disclosed because he and Freeman aren't married and there was no economic benefit to him from her legal work.

"I came to the conclusion that I had no duty to disclose," said the judge, who joined the Houston court in 2011. He added that he didn't want to fuel a perception that "if you were going to be appearing, you should go out and hire Jackson Walker."

Jackson Walker files bankruptcy cases on its own, but is better known as local counsel working alongside large bankruptcy firms that have made the Houston bankruptcy court a top venue in recent years. Jackson Walker, on its website, said it has been local counsel for more sizable companies in chapter 11 than any other firm since 2022 and often serves as co-counsel alongside Kirkland & Ellis, which is among the nation's most prolific filers of large corporate bankruptcies.

Jackson Walker declined to comment. Representatives for Kirkland & Ellis didn't respond to a request for comment.

A representative with the Judicial Council of the Fifth Circuit, which is responsible for reviewing complaints of judicial misconduct in Texas courts, didn't respond to a request for comment.

Jones hasn't formally responded to Van Deelen's claims in court and declined to comment on the merits of the lawsuit. He also said he was under no obligation to recuse himself from cases involving Jackson Walker or Freeman's new solo firm, the Law Office of Liz Freeman.

"If for any reason I thought that I should have done something more, I would have done it," the judge said. "I'm certainly not afraid of my relationship, I just simply think I'm entitled to a certain degree of privacy. I and I alone made the call that so long as she never appeared in front of me, that was sufficient."

Jones said that he would have had a recusal obligation for cases involving Freeman's firm only if they had been married and had communal property. Judge Jones owns the home in Houston which he and Freeman reside in, and pays utilities and other expenses on the home.

Adam Levitin, a professor at Georgetown University Law Center who focuses on bankruptcy and commercial law, said that if Judge Jones was in a romantic relationship with a lawyer from Jackson Walker, he shouldn't have heard any bankruptcy cases in which Jackson Walker represented the company.

"It creates an appearance of impropriety and partiality," Levitin said. "A lawyer's conflicts are imputed to all other attorneys at the firm. She was a partner of the firm. It creates the possibility that a litigant feels that they lost not because of the merits of a case, but because of the relationships the judge has."

Write to Alexander Gladstone at alexander.gladstone@wsj.com and Andrew Scurria at Andrew.Scurria@wsj.com

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Notes

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EXHIBIT 6

Exhibit 6A
Judge Jones
Jackson Walker Fee Order Entered
Open Cases

Debtor Name	Case Number	Petition Date	Confirmation Status	Position	Date of Retention App	Retention App ECF	Fee App Order ECF	Total Fees Awarded	Total Expenses	Ms. Freeman Fees
Westmoreland Coal Company	18-35672	10/9/2018	Confirmed	Debtor Local Counsel	11/8/2018	376	2249	\$676,806.00	\$87,114.29	\$129,629.50
J.C. Penney Company, Inc.	20-20182	5/15/2020	Confirmed	Debtor Local Counsel	6/11/2020	685	2874	\$1,087,263.00	\$14,219.21	\$286,159.00
Whiting Petroleum Corporation	20-32021	4/1/2020	Confirmed	Debtor Local Counsel	4/17/2020	173	840	\$695,091.50	\$3,541.94	\$36,115.00
Neiman Marcus Group LTD, LLC	20-32519	5/7/2020	Confirmed	Debtor Local Counsel	6/3/2020	750	2147	\$380,573.50	\$6,103.70	\$49,910.00
Stage Stores LLC	20-32564	5/10/2020	Confirmed	Debtor Local Counsel	6/4/2020	385	983	\$182,655.50	\$2,090.65	\$29,295.00
Chesapeake Energy Corporation	20-33233	6/28/2020	Confirmed	Debtor Local Counsel	7/16/2020	370	3509	\$912,742.00	\$21,275.94	\$192,258.00
Covia Holdings Corporation	20-33295	6/29/2020	Confirmed	Debtor Conflicts Counsel	7/21/2020	195	1304	\$325,181.00	\$6,200.85	\$51,021.00
Bouchard Transportation Co., Inc.	20-34682	9/28/2020	Confirmed	Debtor Local Counsel	10/28/2020	173	20-34758 at 63	\$436,790.00	\$5,371.86	\$23,380.00
Mule Sky LLC (Gulfport Energy)	20-35561	11/13/2020	Confirmed	Debtor Conflicts Counsel	12/11/2020	20-35562 at 390	212	\$765,173.50	\$7,334.20	\$54,525.50
Seadrill Partners LLC	20-35740	12/1/2020	Confirmed	Debtor Local Counsel	12/23/2020	110	690	\$286,885.00	\$1,617.25	\$28,223.00
Seadrill Limited	21-30427	2/10/2021	Confirmed	Debtor Local Counsel	3/8/2021	250	1340	\$501,242.00	\$2,123.05	\$5,594.50
Brilliant Energy, LLC	21-30936	3/16/2021	No Plan	Other	4/13/2021	68	241	\$186,363.50	\$2,246.63	\$0.00
Katerra Inc.	21-31861	6/6/2021	Confirmed	Debtor Local Counsel	6/29/2021	289	1639	\$858,653.01	\$3,934.72	\$0.00

Debtor Name	Case Number	Petition Date	Confirmation Status	Position	Date of Retention App	Retention App ECF	Fee App Order ECF	Total Fees Awarded	Total Expenses	Ms. Freeman Fees
Basic Energy Services, Inc.	21-90002	8/27/2021	Confirmed	Debtor Lead Counsel	12/13/2021	809	1511	\$1,543,432.34	\$3,082.84	\$0.00
Strike LLC	21-90054	12/6/2021	Confirmed	Debtor Local Counsel	1/6/2022	363	1248	\$875,026.00	\$12,331.41	\$0.00
4E Brands Northamerica LLC	22-50009	2/22/2022	Confirmed	Debtor Lead Counsel	3/24/2022	72	427-1	\$859,425.50	\$7,300.81	\$0.00
Sungard AS New Holdings	22-90018	4/11/2022	Confirmed	Debtor Conflicts Counsel	5/10/2022	211	897	\$414,495.00	\$5,966.56	\$0.00
Totals								\$10,987,798.35	\$191,855.91	\$886,110.50

Exhibit 6B
Judge Jones
Jackson Walker Fee Order Entered
Closed Cases

Debtor Name	Case Number	Petition Date	Confirmation Status	Position	Date of Retention App	Retention App ECF	Fee App Order ECF	Total Fees Awarded	Total Expenses Awarded	Ms. Freeman Fees
Jones Energy Inc.	19-32112	4/14/2019	Confirmed	Debtor Local Counsel	4/23/2019	125	251	\$92,854.00	\$20,915.86	\$10,582.00
McDermott International Inc.	20-30336	1/21/2020	Confirmed	Debtor Local Counsel	2/19/2020	424	1021	\$391,655.00	\$21,154.16	\$114,002.50
Sheridan Holding Company I, LLC	20-31884	3/23/2020	Confirmed	Debtor Local Counsel	4/2/2020	130	213	\$11,779.50	\$12,025.30	\$3,565.00
Hornbeck Offshore Services, Inc.	20-32679	5/19/2020	Confirmed	Debtor Conflicts Counsel	6/1/2020	132	283	\$61,428.00	\$798.75	\$4,727.50
Denbury Resources Inc.	20-33801	7/30/2020	Confirmed	Debtor Local Counsel	8/28/2020	238	384 & 442	\$124,321.50	\$890.07	\$37,122.50
iQor Holdings Inc.	20-34500	9/10/2020	Confirmed	Debtor Local Counsel	9/28/2020	154	252	\$63,842.00	\$3,857.50	\$1,670.00
Volusion, LLC	20-50082	7/27/2020	Confirmed	Debtor Lead Counsel	8/26/2020	74	172	\$339,428.00	\$3,025.97	\$62,897.00
Seadrill New Finance Limited	22-90001	1/11/2022	Confirmed	Debtor Local Counsel	2/8/2022	94	121	\$27,286.00	\$21,067.75	\$0.00
LaForta - Gestao e Investmentos	22-90126	6/16/2022	No Plan	Debtor Lead Counsel	7/15/2022	67	298	\$505,907.50	\$7,946.11	\$0.00
Totals								\$1,618,501.50	\$91,681.47	\$234,566.50

Exhibit 6C
Jones Mediation Cases
Jackson Walker Fees/Expenses
Open Cases

Debtor Name	Case Number	Petition Date	Judge	Confirmation Status	Position	Date of Retention App	Retention App ECF	Fee App Status	Fee App Order ECF	Total Fees Awarded	Total Expenses Awarded	Ms. Freeman Fees
Sanchez Energy Coporation	19-34508	8/11/2019	Isgur	Confirmed	Debtor Local Counsel	10/1/2019	269	Final Approved	1502	\$1,905,683.35	\$98,468.48	\$531,384.50
GWG Holdings Inc.	22-90032	4/20/2022	Isgur	Confirmed	Debtor Local Counsel	5/19/2022	267	Final Pending		\$801,232.50	\$59,972.91	\$228,572.81
HONX, Inc.	22-90035	4/28/2022	Isgur	Plan Pending	Debtor Local Counsel	5/31/2022	128	Interim Filed		\$393,782.00	\$7,681.61	\$71,790.00
Altera Infrastructure LP	22-90130	8/12/2022	Isgur	Confirmed	Debtor Local Counsel	9/12/2022	228	Final Approved	22-90129 at 20	\$357,209.50	\$6,739.23	\$53,445.00
IEH Auto Parts Holding LLC	23-90054	1/31/2023	Lopez	Confirmed	Debtor Lead Counsel	3/2/2023	181	Final Pending				
IEH Auto Parts Holding LLC	23-90054	1/31/2023	Lopez	Confirmed	Debtor Conflicts Counsel	3/2/2023	183	None Filed				
MLCJR LLC	23-90324	5/14/2023	Lopez	No Plan	Debtor Conflicts Counsel	6/13/2023	433	Interim Filed				
Totals										\$3,457,907.35	\$172,862.23	\$885,192.31

Exhibit 6D
Jones Mediation Cases
Jackson Walker Fees/Expenses
Closed Cases

Debtor Name	Case Number	Petition Date	Judge	Confirmation Status	Position	Date of Retention App	Retention App ECF	Fee App Status	Fee App Order ECF	Total Fees Awarded	Total Expenses Awarded	Ms. Freeman Fees
EXCO Resources, Inc.	18-30155	1/15/2018	Isgur	Confirmed	UCC Local Counsel	2/26/2018	382	Final Approved	122	\$1,820,436.59	\$68,949.97	\$185,702.50
Tailored Brands, Inc.	20-33900	8/2/2020	Isgur	Confirmed	Debtor Local Counsel	9/1/2020	496	Final Approved	1404	\$253,420.00	\$1,482.05	\$57,345.00
Total										\$2,073,856.59	\$70,432.02	\$243,047.50