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BANKRUPTCY

Bankruptcy Lawyer Rates Top \$3,000 an Hour

More companies are pursuing out-of-court restructurings as chapter 11 costs climb

By Becky Yerak

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Proposed chapter 11 legal fees must be approved by bankruptcy courts. PHOTO: BRENDAN MCDERMID/REUTERS

Hourly rates for bankruptcy lawyers are topping \$3,000, contributing to soaring chapter 11 costs that have prompted more companies to turn to faster out-of-court restructurings.

Major law firms have been raising prices at double-digit rates. Latham & Watkins has said its top billing rate will exceed \$3,000 an hour in 2026. In recent court filings, Latham lawyers involved in the Imerys Talc America, Barretts Minerals and IG Design Group Americas cases said partner hourly rates will rise to as much as \$3,050 in the new year. Kirkland & Ellis has said its top hourly rate will approach that level. The

moves by Latham and Kirkland reflect increases of roughly 15% and 11%, respectively, in a year.

“These are sharp increases. Bankruptcy fees broke through the \$2,000 an hour barrier only about three years ago,” said Lynn LoPucki, a law professor at the University of Florida who has researched bankruptcy professional fees. “Billing rates are highly visible. A firm can bill higher rates to signal that the firm’s services are better.”

Although proposed fees must be approved by bankruptcy courts, judges are prone to granting the requests, LoPucki said. “Bankruptcy judges in a few courts are competing for the big cases, so they approve pretty much whatever the attorneys are bold enough to charge,” he said.

That dynamic has played out across traditional restructuring hubs such as Delaware and Houston, as well as newer venues including New Jersey and North Texas.

Quinn Emanuel Urquhart & Sullivan was approved as special counsel earlier this month to charge up to \$3,000 an hour as special counsel in the [Office Properties Income Trust](#) bankruptcy, reflecting how courts tend to sign off on professional rate increases.

Other large restructurings, including Merit Street Media and Ligado Networks, also have seen roughly 10% increases in maximum hourly rates, signaling that upward pressure is spreading across major bankruptcy practices.

Higher billing rates have been the key driver of the 11% revenue increase law firms recorded in the first nine months of the year, according to a December client advisory from Citi Wealth’s Law Firm Group and Hildebrandt Consulting. Growth areas included private credit, bankruptcy and restructuring, large mergers and acquisitions, and mass torts litigation.

Sidley Austin, representing Merit Street Media; Kirkland; and Quinn Emanuel declined to comment. Latham didn’t respond to requests for comment, nor did Milbank, which represents Ligado.

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