COURT OF CHANCERY
OF THE
STATE OF DELAWARE

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RE: *Kevin Leiske et al. v. Robert Gregory Kidd et al.*,
C.A. No. 2025-0426-CDW (LWW)

Dear Counsel,

This letter resolves an Order to Show Cause concerning the misuse of generative artificial intelligence ("GenAI"). The plaintiffs submitted fabricated quotations and mischaracterized legal authorities in a brief filed with this court. After the defendants identified these errors, the plaintiffs' counsel acknowledged using a GenAI tool without verifying its output and filed a corrected brief that removed the quotation marks but retained inaccurate legal propositions. I ordered the partner who signed the brief and his law firm to show cause why sanctions should not issue.

The use of GenAI in legal practice is neither forbidden nor inherently problematic. Practitioners are increasingly turning to these tools, which offer substantial benefits and opportunities for efficiency. But counsel must use them with

the care required by Court of Chancery Rule 11 and the Delaware Lawyers' Rules of Professional Conduct. That obligation includes ensuring the accuracy of each authority and citation presented to the court.

That care was lacking here. Counsel failed to verify the accuracy of the answering brief despite his law firm's comprehensive GenAI policy and mandatory ethics training. Given the firm's commendable efforts to prevent GenAI misuse, I decline to sanction it. Counsel—who has since accepted full responsibility and expressed sincere contrition—is sanctioned $2,500 under Rule 11, payable personally to the Court of Chancery.

I. BACKGROUND

On January 22, 2026, the plaintiffs filed an answering brief opposing the defendants' exceptions to a Magistrate in Chancery's final report on advancement.[1] Five days later, the defendants' reply brief identified that the answering brief contained fabricated quotations, inaccurate citations, and hallucinated legal propositions.[2]

On January 28, plaintiffs' lead counsel—the signatory on the brief—filed a letter acknowledging that a GenAI tool had been used to revise the brief, and

[1] Pls.' Answering Br. in Opp'n to Defs.' Exceptions (Dkt. 62).

[2] Reply Br. in Further Supp. of Defs.' Exceptions to Magistrate's Jan. 2, 2026 Report (Dkt. 65) 12-13 nn. 4-6, 16 n.7.

submitted a corrected answering brief.[3] That letter attributed the failure to catch the fabricated quotations and citation errors to an oversight during a paralegal's cite-check.[4] Although the corrected brief removed quotation marks around the nonexistent quotes, it retained the inaccurate descriptions of the underlying cases.[5] After the defendants' counsel filed a letter detailing these remaining misrepresentations, the plaintiffs' lead counsel responded on January 29 by faulting opposing counsel for failing to "meet and confer" before alerting the court and insisting that the cited authorities "are real" and "support the arguments advanced."[6]

On February 2, I overruled the defendants' exceptions and affirmed the Magistrate's final report on the merits, while retaining jurisdiction to address the GenAI errors in the plaintiffs' brief.[7] On July 1, after further merits-based proceedings, I entered an Order to Show Cause directing the plaintiffs' lead counsel and his law firm to explain why sanctions should not issue under Rule 11(c) and this

[3] Letter Providing Corrected Answering Br. in Opp'n to Defs.' Exceptions (Dkt. 68); Pls.' Corrected Answering Br. in Opp'n to Defs.' Exceptions (Dkt. 69) ("Pls.' Corrected Answering Br.").

[4] Letter Providing Corrected Answering Br. in Opp'n to Defs.' Exceptions (Dkt. 68) 2.

[5] *See* Letter in Resp. to Pls.' Letter Regarding GenAI Errors (Dkt. 70) 1-2 (asserting that the corrected brief "merely fixes citation errors as if they are typographical only" and "still mischaracterizes some of the Courts' analyses").

[6] Letter in Resp. to Defs.' Jan. 28 Letter (Dkt. 71) 1-2.

[7] Letter Op. Resolving Exceptions (Dkt. 74) 7 n.40.

court's inherent authority.[8] Richard Rollo, Esq., on his own behalf, and Paul N. Heath, Esq., on behalf of Richards, Layton & Finger, P.A. ("RLF"), filed detailed affidavits in response to that Order.[9] Having reviewed those affidavits, I conclude that a separate evidentiary hearing is unnecessary and that the matter can be resolved on the papers.[10]

II. ANALYSIS

Under Rule 11(b)(2), an attorney presenting "a pleading, written motion, or other paper" to the court certifies that "to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances," the "legal contentions" made "are warranted by existing law."[11] "An attorney's signature on a court filing is not a procedural formality; it is a certification to the tribunal."[12] A fake quotation or a fabricated legal synthesis

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[8] Letter Order to Show Cause Why Sanctions Should Not Issue (Dkt. 102) ("Rule 11 Letter Order") 6-8 (specifying what the affidavits from counsel and the firm must include).

[9] Aff. of R. Rollo, Esq. (Dkt. 103) ("Rollo Aff."); Aff. of P. Heath, Esq. (Dkt. 103) ("Heath Aff.").

[10] *See Hill v. Workday, Inc.*, 2026 WL 1146289, at *4 (N.D. Cal. Apr. 28, 2026) (observing that a separate sanctions hearing is not required when counsel gets a chance to respond in writing) (citing *Pac. Harbor Cap., Inc. v. Carnival Air Lines, Inc.*, 210 F.3d 1112, 1118 (9th Cir. 2000)).

[11] Ct. Ch. R. 11(b)(2).

[12] Rule 11 Letter Order 4 (citing *Crumplar v. Superior Ct. ex rel. New Castle Cnty.*, 56 A.3d 1000, 1005-06 (Del. 2012)).

generated by an algorithm is not "existing law," and presenting unverified GenAI output to a court violates Rule 11(b)(2).[13]

A. Law Firm Responsibility Under Rule 11

Rule 11(c)(1) mandates that "[a]bsent exceptional circumstances, a law firm must be held jointly responsible for violations committed by its partners, associates, or employees."[14] In determining whether a law firm should be relieved of joint responsibility for a lawyer's Rule 11 violation, professional conduct standards governing law firm management provide useful guidance. Under Delaware Lawyers' Rule of Professional Conduct 5.1(a), law firm leadership must make reasonable efforts to ensure that the firm has measures in effect giving reasonable assurance that all lawyers conform to those rules.[15] Consistent with that principle, ABA Formal Opinion 512 instructs "[m]anagerial lawyers" to "establish clear policies regarding the law firm's permissible use of G[en]AI" and "supervisory

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[13] Ct. Ch. R. 11(b)(2); *see Mata v. Avianca, Inc.*, 678 F. Supp. 3d 443, 461 (S.D.N.Y. 2023) ("A fake opinion is not 'existing law' . . . ."); *see also Lexos Media IP, LLC v. Overstock.com, Inc.*, 2026 WL 265581, at *10 (D. Kan. Feb. 2, 2026) ("There is no question that citing to a nonexistent case, attributing a nonexistent quotation to an existing case, and misstating the law violates Rule 11(b).").

[14] Ct. Ch. R. 11(c)(1).

[15] Del. Lawyers' Rules of Prof. Conduct R. 5.1(a) ("A partner in a law firm, and a lawyer who individually or together with other lawyers possesses comparable managerial authority in a law firm, shall make reasonable efforts to ensure that the firm has in effect measures giving reasonable assurance that all lawyers in the firm conform to the Rules of Professional Conduct.").

lawyers" to "make reasonable efforts to ensure that the firm's lawyers and nonlawyers comply with their professional obligations when using G[en]AI tools."[16]

RLF has demonstrated exceptional circumstances relieving it of joint responsibility. Its response to the emergence of GenAI reflects substantial institutional efforts to prevent the very problem at issue. RLF barred the use of unapproved GenAI tools in March 2023.[17] In 2024, the firm formed a working group of directors and professional staff to evaluate GenAI tools and study ethical guidance, including ABA Formal Opinion 512.[18] In July 2025, RLF's Board of Directors adopted a comprehensive Generative Artificial Intelligence Policy.[19] The policy requires an experienced lawyer to review GenAI output for accuracy and completeness and prohibits its use as a substitute for independent judgment or legal analysis.[20] RLF also developed an internal training program addressing hallucinations, ABA Formal Opinion 512, and professional obligations concerning competence, confidentiality, meritorious claims, candor, and supervision.[21] The

[16] ABA Comm. on Ethics & Prof. Resp., Formal Op. 512, at 10 (2024); *see Lexos Media*, 2026 WL 265581, at *16.

[17] Heath Aff. ¶ 8.

[18] *Id.* ¶¶ 9-14.

[19] *Id.* ¶ 15.

[20] *Id.* ¶¶ 15-16.

[21] *Id.* ¶¶ 23, 25-28.

program was accredited for one hour of Enhanced Ethics credit by Delaware's Commission on Continuing Legal Education and completed by over 200 RLF employees by January 2026.[22]

In short, RLF did the right thing. It warned of GenAI risks, established clear verification policies, and trained its personnel through a substantial, multi-layered approach. RLF acted reasonably to prevent GenAI misuse and should not be sanctioned for an individual lawyer bypassing those controls.[23] These safeguards were in place before the offending brief was filed. RLF is therefore released from this proceeding without sanction.

B. Individual Responsibility Under Rule 11

Rule 11(c)(1) authorizes the court to impose an appropriate sanction on "any attorney . . . that violated [Rule 11(b)] or is responsible for the violation."[24] The rule's certification requirement reinforces a lawyer's ethical duty of candor toward the tribunal under Delaware Lawyers' Rule of Professional Conduct 3.3(a)(1) and

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[22] *Id.* ¶¶ 24, 29.

[23] *See Johnson v. Dunn*, 792 F. Supp. 3d 1241, 1260-62 (N.D. Ala. 2025) (declining to sanction a law firm under the court's inherent authority where the firm had warned attorneys of hallucination risks, required permission and independent verification for GenAI use, and strengthened its safeguards after discovering the misconduct, finding that the firm "acted reasonably in its efforts to prevent this misconduct" when a partner misused GenAI).

[24] Ct. Ch. R. 11(c)(1).

the duty to supervise nonlawyer assistants under Rule 5.3.[25] As ABA Formal Opinion 512 emphasizes, a lawyer may not delegate professional judgment to a GenAI tool and remains responsible for verifying all work product before it is filed.[26]

The affidavit of plaintiffs' lead counsel candidly explains how the errors occurred. As Chair of RLF's AI Subcommittee, he was leading a pilot evaluation of Perplexity Enterprise, a tool that had not been approved for general firm use.[27] He used the tool to help draft and condense arguments in the answering brief. That process introduced fabricated quotations, flawed citations, and a mischaracterized case holding into the text.[28] He then delegated citation checking to a junior attorney and a paralegal and filed the brief without personally verifying the authorities or checking the citations and quotations after that review.[29]

Three points warrant emphasis.

First, the duty of candor to the court and the obligation to conduct a reasonable inquiry under Rule 11 are personal and nondelegable.[30] Although practitioners

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[25] Del. Lawyers' Rules of Prof. Conduct R. 3.3(a)(1), 5.3.

[26] ABA Comm. on Ethics & Pro. Resp., Formal Op. 512, at 3-4, 10 (2024).

[27] Rollo Aff. ¶¶ 9, 25; *see also* Heath Aff. ¶¶ 17, 19, 33-34.

[28] Rollo Aff. ¶¶ 10-13.

[29] *Id.* ¶¶ 14-16.

[30] *See Pavelic & LeFlore v. Marvel Ent. Grp.*, 493 U.S. 120, 126 (1989) ("[T]he purpose of Rule 11 as a whole is to bring home to the individual signer his personal, nondelegable

routinely and appropriately rely on skilled paralegals and junior attorneys for cite-checking, a senior attorney who signs a brief cannot disclaim responsibility when unverified GenAI output is submitted to the court.[31] When an attorney knowingly introduces text produced by GenAI into a draft, the signatory must ensure that the underlying authorities have been reviewed and support the propositions for which they are cited.

Second, it is no excuse that the cases cited are real decisions or that the overarching legal propositions are arguably consistent with general principles of law. GenAI tools do not only invent case captions. They also fabricate plausible-sounding quotations or stretch a real decision to stand for a proposition it never addressed.[32] That existing law may generally support a party's ultimate position

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responsibility."); *Lexos Media*, 2026 WL 265581, at *9 (noting that the Rule 11 duty to conduct a reasonable inquiry into existing law is "nondelegable").

[31] *See Hill*, 2026 WL 1146289, at *3, *8 ("The duty to check every paper filed in court for accuracy and veracity is nondelegable to other attorneys or to technology." (citation omitted)); *In re Kenney*, 422 So. 3d 905, 913, 920-21 (La. Ct. App. 2025) (affirming sanctions against counsel who relied on paralegals to check citations but failed to independently verify AI-generated authorities against actual judicial opinions); *see also Noland v. Land of the Free, L.P.*, 336 Cal. Rptr. 3d 897, 901 (Ct. App. 2025) ("[N]o brief, pleading, motion, or any other paper filed in any court should contain any citations—whether provided by generative AI or any other source—that the attorney responsible for submitting the pleading has not personally read and verified.").

[32] *See, e.g.*, *Lexos Media*, 2026 WL 265581, at *2-5 (detailing GenAI hallucinations involving fabricated quotations attributed to actual decisions and mischaracterizations of their holdings); *Hill*, 2026 WL 1146289, at *2 (addressing a brief that cited a nonexistent case and misrepresented the holding of an actual decision); *Wilson v. Kipp Texas, Inc.*,

does not excuse the submission of fabricated quotations or mischaracterized holdings.[33] If GenAI errors are detected, counsel has an affirmative duty to review the underlying authorities and correct any inaccurate quotations or characterizations. It is not enough to remove quotation marks and leave a fabricated legal synthesis in place.[34]

Third, as explained in the Order to Show Cause, faulting opposing counsel for failing to "meet and confer" before alerting the court to GenAI errors misstates the purpose of that requirement.[35] There is nothing to negotiate when false citations or

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2025 WL 3030444, at *3 (N.D. Tex. Oct. 29, 2025) (sanctioning counsel for presenting GenAI-fabricated statements as verbatim quotations in a court filing).

[33] *See Johnson*, 792 F. Supp. 3d at 1262 (rejecting an argument that sanctions should be minimal because "actual authorities stand for the proposition that the bogus authorities were offered to support," and noting that "any sanctions discount on this basis would amplify the siren call of unverified AI for lawyers who are already confident in their legal conclusion"); *Lexos Media*, 2026 WL 265581, at *3-5, *13-14 (sanctioning counsel where a brief attributed nonexistent quotations and holdings to real precedent and rejecting counsel's attempt to downplay the errors by claiming that the brief was overwhelmingly human-drafted).

[34] *See Mata*, 678 F. Supp. 3d at 461, 464 (noting that Rule 11 obligations continue when "later advocating" a prior filing and sanctioning counsel who continued to defend fabricated authorities after opposing counsel flagged them); *Hill*, 2026 WL 1146289, at *3 ("Upon detection of fabricated or erroneous citations, an attorney has an affirmative, personal, non-delegable duty to review all citations for accuracy and validity and to correct them . . . ." (citing *Kenney*, 422 So. 3d at 915-16, 920-21)).

[35] Rule 11 Letter Order 5-6.

fabricated quotations are presented to a tribunal. Opposing counsel was fully justified in bringing such errors directly to the court's attention.[36]

C. Sanctions

A Rule 11 sanction "must be limited to what suffices to deter repetition of the conduct or comparable conduct by others similarly situated."[37] The purpose of such a sanction is to vindicate judicial authority and deter carelessness—not to punish or compensate litigants.[38]

In setting an appropriate sanction, I consider the specific circumstances of this case. On the one hand, plaintiffs' lead counsel initially shifted blame to a paralegal and, even after removing quotation marks, retained the inaccurate characterizations

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[36] On August 4, 2026, the defendants' counsel filed a letter requesting leave to present billing records and information about the plaintiffs' counsel's time records. Letter from M. DiBianca (Dkt. 104). That request is denied. Because this Rule 11 inquiry was initiated sua sponte to address misconduct affecting the court, rather than on a motion for sanctions, an award of attorneys' fees is unavailable under Rule 11. *See* Ct. Ch. R. 11(c)(4); *Lexos Media*, 2026 WL 265581, at *7 n.63; *Mata*, 678 F. Supp. 3d at 465-66. Because the plaintiffs' counsel has acknowledged the Rule 11 violation under oath and I credit the sworn affidavits submitted in response to the Order to Show Cause, inviting opposing counsel to raise purported discrepancies in billing records would serve no useful purpose.

[37] Ct. Ch. R. 11(c)(4); *accord* Fed. R. Civ. P. 11(c)(4); *see also Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 393 (1990) (identifying deterrence as Rule 11's central purpose).

[38] *See Mata*, 678 F. Supp. 3d at 466 ("An attorney may be required to pay a fine, or, in the words of Rule 11, a 'penalty,' to advance the interests of deterrence and not as punishment or compensation." (citing *Universitas Educ., LLC v. Nova Grp., Inc.*, 784 F.3d 99, 103-04 (2d Cir. 2015))); *Johnson*, 792 F. Supp. 3d at 1265-66 (emphasizing deterrence and vindicating judicial authority in fashioning sanctions under the court's inherent power).

of legal authority. On the other hand, in his affidavit, counsel accepted full responsibility for the filings, disavowed any suggestion that others were to blame, and expressed sincere contrition.[39] He has practiced before this court with distinction for years.[40] And because he has completed multiple CLE courses on GenAI ethics and leads internal training efforts, ordering additional mandatory CLE would be redundant.[41]

Consistent with the range of monetary penalties imposed by courts in similar sua sponte Rule 11 proceedings, the plaintiffs' lead counsel is sanctioned in the amount of $2,500.[42] Given the nondelegable nature of Rule 11's verification

[39] Rollo Aff. ¶¶ 3-5, 22, 30.

[40] *Id.* ¶¶ 1, 30.

[41] *Id.* ¶¶ 24-26; *see Mata*, 678 F. Supp. 3d at 466 (concluding that because counsel's firm had arranged mandatory CLE training on technological competence and AI tools, "[i]mposing a sanction of further and additional mandatory education would be redundant").

[42] *See, e.g.*, *Gill v. Everyday Dose, Inc.*, 2026 WL 3390881, at *5-7 (D. Del. Nov. 9, 2026) (imposing $3,000 fines on two attorneys who submitted AI-hallucinated authorities and deflected responsibility for the errors); *Jimenez-Fogarty v. Fogarty*, 831 F. Supp. 3d 253, 266-68 (S.D.N.Y. 2026) (imposing a $2,500 fine in a sua sponte Rule 11 proceeding); *Wadsworth v. Walmart Inc.*, 348 F.R.D. 489, 498-99 (D. Wyo. 2025) (imposing a $3,000 fine on counsel who drafted a filing containing fabricated authorities); *Mattox v. Prod. Innovations Rsch., LLC*, 807 F. Supp. 3d 1341, 1351-52 (E.D. Okla. 2025) (imposing graduated fines of $3,000, $2,000, and $1,000 based on counsel's respective responsibilities); *Benjamin v. Costco Wholesale Corp.*, 779 F. Supp. 3d 341, 351 (E.D.N.Y. 2025) (imposing a $1,000 fine after considering counsel's remorse and remedial AI training).

requirement, he must personally pay this amount to the court within 14 days of this decision.[43] He must also file an affidavit confirming payment upon completion.

IT IS SO ORDERED.

Sincerely yours,

/s/ Lori W. Will

Lori W. Will
Vice Chancellor

[43] *See Hill*, 2026 WL 1146289, at *9 (ordering sanctioned partner to "pay this amount directly and personally (and this amount shall not be paid by the . . . law firm)"); Ct. Ch. R. 11(c)(4).